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ABSTRACT

This monograph presents four papers on the interaction of the market and higher education institutions in relation to the evolution of management and administrative patterns according to the requirements of new political and economic situations. In particular, the papers discuss the changes which a market ideology has brought to European higher education in the recent years. The first paper, "On Preparing for the Market: Higher Education in Western Europe. Changes in Systems' Management" by Guy Neave, looks at the ways in which systems management is changing Western European higher education and suggests that the expansion experienced during the years of mixed welfare state economies may not be sustainable after a conversion to market forces. The second paper, "Flexibility Production and Pattern Management: Two Basic Instruments of Strategic Planning of Higher Education Institutions" by F. A. van Vught considers features of strategic planning for higher education institutions based on the literature on planning and on the fundamental characteristics of higher education institutions. The third paper, "Higher Education, the State and Markets," by O. Kivinen and R. Rinne analyses several countries and their higher education systems in relation to markets and government including the United States, Western Europe, and Finland. The final paper, "The Management and Evaluation of the Entrepreneurial University: The Case of England" by R. Cowen looks at the process of alteration in the nature of the English university over the past 100 years. Each paper offers extensive references. (JB)

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EUROPEAN REGIONAL CONSULTATION ON MANAGEMENT AND ADMINISTRATION OF HIGHER EDUCATION IN A MARKET ECONOMY

Reports by

G. Neave
F.A. van Vught
O. Kivinen and R. Rinne
R. Cowen

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Introduction

This paper contains four reports prepared by Professor G. Neave, Director of Research of the International Association of Universities, Professor F. A. van Vught, University of Twente, Netherlands, Dr. O. Kivinen and Dr. R.Rinne, University of Turku, Finland, and Dr. R. Cowen, University of London, for the Europe Region Consultation on Management and Administration of Higher Education in a Market Economy, organized by Unesco and the Ministry of Science and Higher Education of Bulgaria in Plovdiv, Bulgaria from 20-23 November 1990.

The reports included in this publication reflect the views of the authors on the difficult question of the interaction of the market and higher education institutions with the resulting evolution of management and administrative patterns according to the requirements of the new situation.

The market ideology has brought to European higher education very important changes which would have been unthinkable only a few years ago.

What these changes mean for higher education as a system, for its management, for its strategic planning, for the role of a state, what are the differences in this regard between the USA, Western Europe and Northern Europe, what is an entrepreneural university and how could it be evaluated?

Could higher education rely entirely on the market, taking into account that it might inject an element of instability into the educational system?

The authors have attempted to give answers to these complicated questions.

In publishing these reports in its Blue Series, the Educational Policies and Management Unit would like to continue the exchange of opinions on this important theme which can evoke different associations, beliefs and attitudes, depending on the country or particular experience.

Introduction

Le présent document contient quatre rapports respectivement établis par M. G. Neave, directeur de recherche à l'Association internationale des universités, M. F.A. van Vught, de l'Université de Twente (Pays-Bas), MM. O. Kivinen et R. Rinne, de l'Université de Turku (Finlande), et M. R. Cowen, de l'Université de Londres, pour la réunion consultative régionale européenne sur la gestion et l'administration de l'enseignement supérieur dans une économie de marché, organisée par l'UNESCO et le Ministère de la science et de l'enseignement supérieur de Bulgarie à Plovdiv (Bulgarie), du 20 au 23 novembre 1990.

Les rapports qui composent la présente publication traduisent les vues de leurs auteurs sur la question difficile de l'interaction entre les institutions de l'enseignement supérieur et le marché, avec l'évolution qui en résulte pour les modes de gestion et d'administration en fonction des besoins de la situation nouvelle.

L'idéologie de l'économie de marché a apporté à l'enseignement supérieur en Europe d'importants changements qui auraient été impensables il y a seulement quelques années.

Que signifient ces changements pour l'enseignement supérieur en tant que système, pour sa gestion, pour sa planification stratégique, pour le rôle de l'Etat. Quelles sont les différences à cet égard entre les Etats-Unis, l'Europe occidentale et l'Europe du Nord ? Qu'est-ce qu'une université axée sur l'entreprise et comment l'évaluer ?

L'enseignement supérieur pourrait-il s'en remettre entièrement à la loi du marché, compte tenu du fait que celle-ci pourrait introduire un élément d'instabilité à l'intérieur du système d'éducation ?

Les auteurs se sont efforcés de répondre à ces questions complexes.

En publiant ces rapports dans sa série bleue, l'Unité des politiques et de la gestion de l'éducation aimerait poursuivre l'échange d'opinions sur ce thème important qui peut évoquer des associations, des croyances et des attitudes différentes, selon le pays ou selon l'expérience de chacun.

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The papers are presented in the order in which they were presented at the Plovdiv Consultation.

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Unesco's Educational Policies and Management Unit (ED/EPM) reproduces selected technical papers in the present 'Reports, Studies' working series with the aim of disseminating information and ideas on current issues of interest to educational policy-makers, planners and administrators. These papers are distributed on request to Unesco programme specialists and to interested technical personnel in governmental and private institutions.

Most of the papers in the series were originally prepared for one of the Unit's study projects, meetings or conferences, and have been selected because of their topical interest. The opinions expressed therein are those of the author and do not necessarily represent the views or policies of Unesco. The reader should also bear in mind that many of the papers are unedited, working documents and were not initially intended for public distribution. Thus, linguistic deficiencies are evident in some papers, due to the fact that some authors have written in a language other than his/her mother tongue.

The series includes two general types of papers: (i) those focusing on the education system or some educational problems in a particular country (numbered C.1, C.2, etc.) and (ii) those covering a subject with a broader or indefinite geographical context (numbered S.1, S.2, etc.). The current list of titles may be obtained from the address at the bottom of this page. Comments on the series and on particular papers are most welcome.

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La plupart des documents de cette série ont été à l'origine préparés pour des programmes d'études de l'Unité, des réunions ou des conférences et ont été sélectionnés en fonction de l'actualité du sujet traité. Les idées exprimées sont celles des auteurs et ne reflètent pas nécessairement les vues et politiques de l'Unesco. Les lecteurs doivent également tenir compte du fait qu'il s'agit souvent de documents de travail inédits qui ne sont pas destinés au public. De plus, certains auteurs ont rédigé leur document dans une langue qui n'est pas la leur, ce qui explique quelques faiblesses linguistiques.

Cette série se divise en deux catégories de documents : (1) ceux qui ont trait au système éducatif, ou à un aspect particulier de l'éducation dans un pays donné (numérotés C.1, C.2, etc.) et (2) ceux qui traitent d'un sujet dans un contexte géographique plus large ou non défini (numérotés S.1, S.2, etc.). La liste actualisée des titres peut être obtenue à l'adresse ci-dessous. Tout commentaire éventuel sur cette série et sur chacun des documents serait apprécié.

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La Unidad de Políticas y de Gestión de la Educación (ED/EPM) de la Unesco está reproduciendo ciertos documentos técnicos en su serie "Informes, Estudios" con el propósito de difundir informaciones e ideas relativas a los problemas cotidianos con que se encuentran los que toman las decisions, los planificadores y los administradores de la educación. Estos documentos se envián por pedido expreso a los especialistas de la Unesco y a los funcionarios técnicos de las instituciones gubernamentales o privadas.

La mayor parte de los documentos de esta serie han sido preparados para estudios de la Unidad, para reuniones o conferencias y se ha procedido a su selección de acuerdo a la actualidad del tema que se analiza. Las ideas expresadas son las de sus autores y no reflejan necesariamente las opiniones y políticas de la Unesco. Los lectores deben tener asimismo en cuenta que se trata a menudo de documentos de trabajo inéditos que no están destinados a un público especializado. Por otra parte, conviene destacar que algunos autores han redactado sus documentos en una lengua de trabajo que no es frecuentemente la suya, hecho que explica algunas carencias linguísticas.

Esta serie se divide en dos categorías de documentos : (1) los que se refieren al sistema educativo o a un aspecto específico de la educación en un país determinado (que se numeran C.1, C.2, etc.) y (2) los que tratan un tema en un contexto geográfico más amplio y menos definido (llevan la sigla S.1, S.2, etc.). La lista actualizada de títulos se puede obtener en la dirección que aparece a continuación. Todo comentario que los lectores consideren útil para esta serie o en relación a un documento en particular será últamente apreciado.

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On preparing for the market: Higher Education in Western Europe Changes in system management

Guy Neave

On preparing for the market: Higher Education in Western Europe. Changes in system management.

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> But oh, beamish nephew, beware of the day
> If your Snark be a Boojum! For then
> You will softly and suddenly vanish away,
> And never be met with again!
>
> **Lewis Carroll, The Hunting of the Snark.**

Introduction.

It must, surely, be one of the more curious features of our times, at least as regards higher education policy, that action precedes the mobilising concept. And that in the Western context, what began as a pragmatic exercise of cost cutting, and the shifting of expenditure out of higher education into other areas of social expenditure should only later have begun to build around itself the notion that such measures were intended to 'bring higher education closer to the market". If one looks closely, for example, at the unrolling of British and Dutch higher education policy in the earlier part of the Eighties (**Kogan & Kogan, 1983; Neave & van Vught (in press); Ministerie van O&W 1983**) [and it is in these two countries where the effects of "market driven" policy have taken deepest root (**Neave, 1990a [forthcoming]**)] it is, I think, very clear that ideology came in the baggage train of a technical series of measures and largely as justification for them. Whether the market ideology is endowed with self evident coherence, or whether, on the contrary, its political function was to justify and to make acceptable "those things that ought to be done" is, a matter of personal judgment and the political circumstances prevalent in individual countries.

One thing, however, cannot be disputed. The market ideology, has served as a major lever in introducing change in higher education of a nature, range and scope which, even five years earlier in the mid Seventies, would have been unthinkable. It has provided policy makers and systems administrators, if it has not necessarily always convinced academia, with a diagnostic perspective which, whether founded or not, has altered profoundly our way of thinking about such matters as the relationship between the state and higher education, between higher education and civil society, and between higher education and

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* The views in this article are those of the author in his personal capacity. They represent in no way the views of the organisation of which he is part.

what one American sociologist of organisations has termed, its "private life" (Trow, 1977) and that dimension which another American sociologist has analysed in terms of 'academic hierarchy'. (Clark, 1983)

Certain contextual points.

However, before entering into a more detailed analysis of the ways in which systems management is changing in Western Europe, I want to make a number of contextual points. In doing so, I want to be limpidly clear and at the same time, avoid any confusion over several issues which, in the flurry of examining the finer aspects of the present change, are apt to have been overlooked or taken as established fact. It is, after all, one of the functions of any ideology to have a contentious interpretation assume the status of an inevitable fact, and, by the same process, to impart to one particular point of view the standing of being precisely a "taken for granted". Some sociologists have, as we all know, called this process mystification. In our hunt for what is meant by "the market", just as in the hunting of the Snark, it is as well to be clear about what is involved if only to avoid the fate of the man who met the Boojum and "softly and suddenly vanished away". Or, worse perhaps, to find that as a result of the measures taken, our notion of the university itself has suffered that same disappearance. I doubt very much, if that were to happen, that there would be many who would, in the words of Carroll's poem, "chortle in their joy."

On the anatomy of an ideology.

The first of these is that it has still to be proven that the 'market ideology' as seen in Britain and the Netherlands, for example, is not a conjunctural phenomenon. One would do well to recall that this way of viewing the world emerged in the context of the economic crisis at the end of the Seventies and early Eighties and was seen as a replacement for the established notion of Keynesian orthodoxy both in economic planning, in social policy and was extended to higher education as the major institution for the creation of high level manpower. The rise of the market ideology in higher education grafted itself on to another concept, then current in certain milieux which had to do both with political science and public administration. This concept was that of the "Overloaded State". (Rose and Guy Peters, 1977)

In its original form, the thesis of the overloaded state had two facets - fiscal policy and administrative responsibility. The fiscal policy element rested on the idea that swingeing tax rates were counterproductive. Individuals sought to avoid taxation, were discouraged from being either productive or entrepreneurial. In the long run, so the argument ran, the weight of taxation lead on the one hand to tax-avoidance and what the French have termed 'incivisme' and, on the other, as a direct consequence of such behaviour, the resources available to government were less than they ought to be. By the same token, to introduce tax cuts would remove the incentive for avoidance, more people would be willing to pay and more taxable income would, as result of the spreading of entrepreneurialism, would be available.

The other side of this theory, expressed in terms of administrative reform, may be seen as a general correlative to the fiscal dimension. To encourage entrepreneurial behaviour, the state should withdraw from exercising close and detailed oversight, should either delegate responsibilities back to the individual citizen or locate those responsibilities at a level in the structures of administration nearer to the point where the decision was required.(Neave,

1990)

A concept for all seasons: civil society.

There were in effect two dimensions involved - a technical dimension and an ideological dimension The technical dimension emerged in various forms - in France, (**Guin,1990. Le Monde de l'Education, 1990**) Norway (**Aamodt, 1990**) and Spain (**Consejo de Universidades,1987**) proposals designed to strengthen the role of regional authorities in general and most specifically so in higher education Also to be included in this general perspective should be the various developments of evaluation systems, performance indicators the purpose of which, if not being to bring decision-making structures physically closer to citizens, was at least to make the functioning of higher education appear less remote and couched in terms more graspable by the public. Such a motive being most clearly evident in Britain (**McLean,1990**) France (**Comité National d'Evaluation, 1990**) and the Netherlands (**van Vught & Maassen,1988**) The ideological underpinning to both types of technical measures emerged in the concept of 'Civil Society'.

To the skeptic, the definition of Civil Society, like Beauty, lies if not in the eye of the beholder then very often in the mind of one's interlocutor. Suffice it to say that the common denominator across all versions of this concept is the view that civil society is composed of those groups and interests, hitherto largely unrepresented that exist outside the usual structures and channels which, in any given society, serve to express public opinion. (For a more detailed discussion of this see **Neave, 1990b**) From a theoretical point of view, civil society can be interpreted as an amplified and politically expressed form of the notion of 'compensatory legitimation' (**Weiler, 1983**) As I have intimated, however, it is an operational theory and has therefore practical and perceptible outcomes in the area of higher education's interface with society as too, with its systems of governance

Amongst those groups held to be typical of 'Civil Society' one may identify both types of 'consumers of higher education' - students and future employers - and new partners, amongst which industry and regional, local or municipal government. The role often ascribed to these refurbished interests is to act as a channel of communication for external society penetrating into higher education, off setting what is often held to be though perhaps never directly stated as such, the corporate interests of academia as well as acting as a catalyst for change. Civil society, since it exists in the external market, also serves to bring that external market into higher education. To what degree such spokesmen of civil society can exercise an effective influence depends on the type of bodies in which they sit, the formal powers and responsibilities of such organs within the system of governance at institutional level.

The Heavenly City of the market philosophers.

Few visions of change are complete without the secular counterpart of the Holy Grail which provides a point of reference for the faithful and a light to succour those of little faith. It is not entirely coincidental that an economic doctrine whose origins are to be found in the Chicago School of economic theory, should also carry with it the university model of the country in which this doctrine was conceived. Given the long historical association of higher education in Western Europe with fixed price labour markets (**Kerr, 1985**) it is perhaps not altogether surprising that attention should focus on that one system commonly admitted to be highly market driven - the American.

(Clark, 1978) What is often less understood, above all by those who seek to propagate this vision - and most particularly so in Britain and the Netherlands - is that the examples they present in support of their claims are very exceptional even by American standards.

The comparison between individual Western systems of higher education and the United States rarely takes full account of the 4,000 or so American establishments in all their variety. Rather the basis for emulation corresponds to a very small segment of the American system (assuming that is, one can with any degree of intellectual rigour speak of an American system (OECD, 1990) On the contrary, referent institutions held up for contrast and comparison are the 50 or so research universities - the Harvards, Berkeleys, Yales, UCLAs, Princetons, Cornells, Stanfords, MITs and Caltechs

These are the success stories of presidential leadership, of the university-industry interface, of competition for public resources and persuasion in raising massive sums from their alumni. What is often forgotten is that there exists a subterranean level within the market driven system. Here one finds precarious establishments of uncertain funding, living hand to mouth and opening - not to mention closing - with a desolating frequency. In short, the vision that is being hawked around in Western Europe is, I would submit, based on setting American exceptionalism as the future norm or worse, creating in the minds of the public an unattainable expectation of what the reformed university will be like, or ought to be like. Delightful though the idea may be, one cannot create a higher education system as one massive Berkeley. Nor can we expect that the market will make us all Heidelbergs. And, forsooth, not all American universities are research universities. Many do not even award doctorates - though they would dearly wish so to do. Other establishments are limited to 4 year first degrees. Yet, few universities in Western Europe are not doctoral awarding establishments. And those that are not, are more often than not, not deemed to be universities.

Certainly, American higher education demonstrates very clearly, many of the advantages and benefits that accrue from external competition which is not limited simply to resources but extends to students, to researchers, and, above all to academic staff. But it also demonstrates with equal clarity a degree of differentiation in the resources available to individual institutions , a situation which, I would guess, might prove to be acceptable only with difficulty to systems of higher education raised and developed within a series of national norms for the same allocation of resources. Between Stanford and Bob Jones University of Greenville, North Carolina, the difference in fundability is not immense. It is astounding.

Some consequences of the marketplace.

Now that a number of aspects involved in the market ideology have been clarified - and ones which often tend to remain undiscussed - I wish to turn my attention to some of the consequences which may reasonably be seen as arising from the drive to the market. Having done that, I will move, in the final part of this essay, to examine some of the more 'grounded' developments that have taken place over the past three to four years in Western Europe.

Irrespective of the ideological sauce with which it is served up, the divestiture of some of the functions of the central state also involves a massive displacement in the sources of higher education finance. Let us take a specific example, that of the United Kingdom. In 1975, approximately 90.8 percent of recurrent income came from the public purse, in the main from the Treasury

and the funding of research from public sources. (CRE,1986, p.138, Table V.) Current estimates reckon that the corresponding figure is around 67 percent. Insofar as this involves a diversification of one's income portfolio, it may be regarded as positive. One's position is stronger when relying on a diversity of funding sources, they can be better controlled than when an establishment is reliant on one. Hence, it is not surprising to find that the major argument in favour of financial divestiture is that it is held to confer a greater autonomy and latitude for initiative upon the individual institution. This may well be so. It is, if you wish, a condition necessary but not of itself sufficient. Equally important is the accompanying reform in the legislative domain. By relaxing those juridical frame factors which define - and by defining, restrict - the ways in which establishments may spend the income their initiatives generate from non government sources, the concept of institutional autonomy takes on some degree of substance.

However, the off loading of the financial burden from central government is not confined to institutional finance. It extends into other areas as well. In Britain, where arguably the market doctrine has assumed its purest and least dilute form, the years from 1981 have seen as massive transferal of costs from the public purse to the private pocket. Nor is this trend limited to Britain. It is equally visible in Australia and some of the South East Asian countries (Power & Gertzel, 1989) Whether in the form of "market cost fees" or the introduction of student loans in place of outright stipends, the principle of off-loading cost is extended to the student body as well.

Now it is evident that financial divestiture is part of a rather wider strategy of preparing for the market but one exercised in the social domain and more specifically that of changing student attitudes. By charging students - or their parents - what some are pleased to call 'realistic prices", one is also ensuring that students become aware of what is at stake, either as a present consumer or as a future debtor. Put succinctly, the objective is to wean students away from the erroneous impression that they are objects of the nation's investment in their future. By such means students will, so the theory goes, opt for the subjects, disciplines and fields of specialisation that will allow them to optimise their investments in themselves. Or, couched in less high falutin' terms, will permit them to pay off their debts with the utmost speed.

There is, even so, another side to this particular tactic. With students - or their families - having, in the immortal words of the American songster, Tom Lehrer "to pay for what they used to get for free", students will become more critical about what they are being taught, how they are being taught and about the performance of academic staff in both activities. Thus, at one and the same time, students are both the instrument by which market-oriented behaviour is injected into higher education and also the bedrock on which the economicist vision of education is to be perpetuated. They will also serve as a catalyst in forcing accountability on an often reluctant academia.

It must be a matter of personal inclination as to whether one is convinced by the effectiveness of such measures. Perhaps it is better to believe than to face some of the other alternatives. But there remain other dimensions which, more than ever at the present time, give one good reason for suspending such belief. One such element - and it is far from being the least significant - is the fact that the market is not a constant. It is subject to turbulence, change, alterations in the structure of occupations and thus in what are defined as the premium skills at any one time. Never has the occupational structure in Western Europe been more turbulent than over the past decade with the shake out in basic industry and its restructuring around a high technology base.

Not surprisingly, the convinced marketeer will argue that such turbulence is a fact of economic life; that those who seize the moment, who adapt to change will be rewarded and those who choose not so to do, will receive lesser recompense. Such judgments presuppose that the market emits clear signals and that it is only the wilfully obtuse who choose not to respond to them, and who rightfully reap the reward of their obtuseness. But the market does not emit clear signals, either to governments and still less to individual students. If it did, we would all behave as rational economic beings and there would be no need for planning since we could see where our best advantage lay. Nevertheless, the belief that individuals should act as if the market produced unambiguous clues which students could interpret, has powerful consequences for the type of function that individual institutions are expected to perform.

Institutional consequences.

He who talks about devolution of responsibility from centre to base, about the diversification of resources and of the need to go out and seek them is also speaking - though perhaps in a covert and indirect fashion - about strengthening the planning function at the level of the individual institution. It follows from this, that one consequence of the entrepreneurial ethic - whether it is presented as rolling back the frontiers of the state, or as a policy of decentralisation (Neave,1990b) - is, at one and the same time and from a systems perspective, both to extend and to fragment the planning process. By planning process, I do not mean anticipating forward needs some X years ahead; it also involves the drawing up of options, costing them, estimating their likely outcomes, benefits and draw-backs and this extended not simply to student numbers, but also to staff required, buildings, equipment, strategies of capital accumulation - in short, the whole paraphernalia of strategic planning. (Tabatoni, 1989)

In many Western European systems of higher education and most particularly those subject to what is called in French a "Ministère de tutelle", such exercises have been located mainly within the central ministry. In circumstances such as these, the type of activity which at the institutional level has passed for planning - if that is indeed the right word, which I suspect it is not - has tended to be limited to negotiating details within the framework set initially by the centre or, in a setting more restricted still, consists in ensuring that resources are allocated in keeping with the technical and legal framework formally defined by the Ministry and which is not subject to negotiation. In more centralised systems of higher education, then, planning at institutional level tends to involve the verification a posteriori that resources were used in the manner the law required and in conformity with the current Ministerial circular. The skills required of administrative staff tend in this setting to be either legal or in the area of accounting. It is also a fact that the numbers involved in this function will be relatively restricted for the plain reason that the mode of planning tends to be reactive to a frame set outside the establishment.

Yet, if preparing for the market involves some measure of decentralisation or the extension of the degree of latitude for institutional initiative, it follows that the type of function hitherto settled at the level of central government ought to migrate down to a different level in the system. And, if institutions are to have the ability to react flexibly to local or regional conditions, then such functions as staff recruitment, career management, research strategies and priorities, forecasting equipment needs ought to follow in their train.

Let me illustrate this by a bit of personal anthropology. Some years ago, I had

the immense good fortune to spend some time at the University of California, Berkeley. What I found particularly striking in the University of California system was the presence in both the system wide administration as too in the individual campus administration, of people who, in Europe, would have had their being inside the Ministry. The range of administrative specialists was also impressively diverse. Policy analysts, budget controllers, cost analysts, a demographer or two, investment specialists and, last but by no means least, a whole section given over to fund raising, as well as the usual gamut of officers in charge of liaising with industry, of ensuring that patents were negotiated and the royalties arising therefrom paid and put to good use. In short, what in Europe would have been part of central government, is located in the system and charged with planning its development over a three to five year cycle with respect to future student numbers, their ethnic balance, developing research strategies, drawing up academic staff recruitment priorities over the coming decade etc

Now there are several remarks one may make about this situation. The first is that such an arrangement is not the product of a moment. On the contrary, it is part of a mature system and, as I said earlier, one that has been highly successful. The second must surely be that by comparison with most European universities, what in military terms would be called "the head to tail ratio" - that is, the numbers of academic and research staff as against administrative staff - is probably beyond the ability of most European establishments to provide. Third, which follows on from the previous remark, it may well be that the cost of such an elaborate administrative support would also pose an intolerable burden. On the down side, and in defence of the European university, the fact that functions located at campus level in the States are set at Ministry level in Europe does avoid an inadmissible duplication of human resources across the system. And, finally, one has to bear in mind that in American universities, coordination is a matter for the administration working under the formal responsibility of a Chief Campus executive - the University President or system President who, unlike his European counterpart, does possess very real power for determining policy and affecting the allocation of resources whether financial or human through the Deans of Faculty. (Clark, 1983, Kerr & Gade,1986)

Regardless of whether Europe's universities have the capacity to imitate such a wealth of services and expertise, and irrespective of whether meeting the market will see higher education in the Old World following the same road as their American counterparts, certain issues are clearly laid before us. The first of these is, to my way of looking at things, the issue posed by civil society though it is often presented in a slightly different form. As part of the services of the state, European universities have had their dealings with external society mediated either through the Ministry - whether at central or at provincial level - or by specific departmental links with industry etc

The reinforcement of market forces has the effect of increasing the number of formal interlocutors or stake-holders just as it increases the constituencies which may have call upon the services of the establishment. In the early stages involved in laying down an interface with regional society, such initiatives may be of a type to be handled within established structures of coordination and authority- by entrepreneurial individuals. But as the influence of the regional market increases, a number of other developments are likely to follow. The first of these - and it is already happening here and there in France, Italy and Spain - is the lessening of the tutelary power of the Ministry. The second is the ability to draw up an institutional development strategy that takes account of, both national priorities, their regional manifestations, the strengths and weaknesses of the individual establishment. In fine, as the interface between the individual university and external society becomes more stable and mature, so structures, organisational patterns,

offices and individuals will have to be put in place to fulfil these responsibilities. Such bodies will require - and will acquire - formal existence and a place in the institutional organigramme. To whom should they be answerable? To the university President? To the Senate? To the Committee of Professors heads of departments? And what should be the extent of their real powers? Should they have the power to engage the establishment in providing services to outside "clients"? An alternative model, sometimes found in the area of industrial liaison in England and the Irish Republic is a species of campus company, drawing on the expertise of staff, but legally separate from the university. (Neave, 1987)

Internal restructuring.

Certainly, these questions accumulate as the university is forced to look to external society and external society seeks some response from higher education in such areas as in-service training, research and development, consulting. But the questions posed are not confined simply to the university-industry interface. New structures of coordination entail a new distribution in the balance of power between faculties, between administration and academic personnel, between full chairholders and as if this were not enough, between academia and the university president. Put it its simplest and crudest, the issue which hides in the wings, is whether the traditional model of academic decision-making, based on the notion of peers working out and negotiating their individual agendas in collegiality is fitted to what some have seen as the "new managerialism". (Daalder, 1985) Higher education, at least in Western Europe, is faced with a situation of high paradox.. For, if the divestiture of close ministerial oversight promises a greater degree of institutional autonomy, the historic structures through which that autonomy was expressed and preserved, are under pressure from the same market forces to revise themselves and to assume line management models in keeping more with those in industry than with those long held to guarantee individual autonomy in the university.

Forces of change.

There are several influences driving in this direction. One of the most powerful is the requirement for universities to show themselves efficient in the use of public resources. It is unlikely this will diminish by dint of calling in the private sector to offset the lack of funds from the public purse. On the contrary, there is every likelihood that the private sector, well used to costing methods and resource use accounting, will require similar techniques to be taken on inside the university if only to show in terms recognised as legitimate by industry that its funding has been put to good use.

The second influence is that broadly used term 'competition'. Certainly, competition is no stranger to the university world. It is, on the contrary, what one American sociologist has termed one of the "pervasive norms" of higher education. (Trow, 1983 p.16) But the notion of competition for research funding, judged by one's peers who share one's values, one's disciplinary culture and one's technicité is a very different thing from demonstrating one's competitiveness to those who do not. Nor is being competitive in the area of service to one's local community the same thing as being competitive from the standpoint, let us say, of Elf-Acquitaine. From this it follows that as the number of external interlocutors dealing with an individual establishment increases, so the greater effort that establishment will have to devote to demonstrating its competitive capacity.

Implications for coordination and power in academia.

The issue this raises is, of course, whether the long established pattern of professional academics acting as amateur administrators is not an idea - to do violence to Victor Hugo - whose time is gone. So long as the major task of university administration was to verify the institutional response to strategic decisions taken at the centre, so long as the funding of research remained in the hands of researchers acting at the highest level as advisors to government, the notion of competition was internally defined by academia and its allies But diversification of funding sources means diversification in the understanding of what is deemed viable. This is very different, as I have said, when viewed by the City Fathers and when scrutinised by the management of an international hi-tech conglomerate.

Given this situation emerging in many, if not most, Western European systems of higher education, one is, I think, right to pose the question whether academia can assume these ever increasing responsibilities in addition to its fundamental and enduring task of teaching, learning and research. There are, not surprisingly, a number of options that may provide a solution.

The first is to make a more rigid division between research and teaching, creating what is virtually two corps within the university world or two types of institution one devoted to teaching with little research, the other to research with little teaching. In that way, the type of competitiveness one has to demonstrate is more closely aligned to one's particular activity. An alternative justification which in point of fact moves towards the same solution, is to distinguish between research universities and teaching universities, and to concentrate research around centres of excellence. This idea was aired in 1988 in the United Kingdom by the Advisory Board for Research Councils

The second solution maintains the Humboldtian notion of the indissoluble links between teaching and research But it places the burden of proving competitiveness less on academia than upon administration. This would involve expanding the specialist roles of administration and give it the major responsibility for inter-acting with external society. The offload of responsibility from central government down to the individual establishment can only mean an increasing administrative load unless it is to be absorbed by cutting back on the basic functions of academia. But the price of the latter is high. For academia to increase time spent on gathering data for strategic planning, for internal evaluation can only born by putting in jeopardy both quality of teaching and research productivity. At a time when efficiency is at a premium, to inbuild such an effet pervers into the institution is hardly conducive to proving its competitiveness to its external constituencies.

Such developments are visible in both Britain and the Netherlands over the past five to seven years. But however logical the argument in shifting power from academia to administration and however persuasive the arguments involved in reinforcing managerial rationality, such measures at not always perceived in the same light by those who implement them as opposed to those who have them imposed upon them. What is one man's management rationality is another man's command model, of hierarchical subordination of professorial and academic power to a new administrative supremacy.

Whether the new managerialism is seen as beneficial or as an unwarranted curtailment of individual autonomy depends to a very great extent on the perceived degree of autonomy academia thought it enjoyed before the onset of the reforms. In systems such as the British, where coordination, power and

authority resided in the academic collegium, the strengthening of administrative control is not always seen with great favour. Though the need to prepare for the market may be recognised - and this is not always the case - the manner in which preparation is carried out does not always bring joy unalloyed. Similarly, in systems where the role of the university president was short-term, honorific and an emanation from the ranks of the senior professorate to which the incumbent often returns after his time is up (**Clark,1983**; **Neave,1988**) the recasting of this role as that of a Chief Executive Officer rather than **primus inter pares** does not always bring forth cries of delight, either.

Systems management styles and acceptability.

Yet, it would folly to deny that under certain conditions, restructuring of the managerial and thus the coordinating and authority systems in higher education which the market ideology appears to justify, will not have a liberating effect. A more nuanced balance between academic and administrative power at institutional level may be acceptable on condition it opens new sources of funding, and new opportunities for self generated initiatives. (**Neave, 1990b**) Clearly, the attitude of academia in Western Europe towards market initiatives is heavily influenced by the historical and organisational setting of higher education in each country, as too by the specific measures which governments feel necessary to introduce the new policy, quite apart from the particular vision officialdom has of what exactly is involved in 'adjusting to the market.' Equally significant in determining the reception such a policy will receive is the nature of the linkage between systems management and institutional management and whether such a relationship, as too the policy instruments involved, are reward driven or punishment based. What I mean by this is whether strategic steering from the centre focuses on diffusing good performance and practice or whether, by contrast, it penalises and berates the slothful and the inert. It is against considerations such as these that the issue of performance indicators becomes of considerable delicacy.

Strategic management and systems change.

So far, the burden of my argument has been that market forces, when introduced into higher education, are major elements of change at all levels of the system. They are also, precisely because of the growth in the number of constituent interests seeking the services of that institution, forces of diversification. The reason for this is clear. As universities forge links with their immediate environment, so that environment is subject to variation: regional economies differ in their structure, in their industrial base and too in the level of qualification of their population. To respond to these factors requires that individual establishments diversify their actions, modify their teaching profile and adjust their research priorities.

From the standpoint of systems management, this process entails a radical departure from one structural and often legal characteristic which has long underpinned higher education systems in Continental Europe. This is the notion of institutional homogeneity - that is, that all institutions in a given sector should carry the same disciplinary profiles and, again formally, enjoy the same status. But there are other consequences too and these are no less radical. The most central of them is that systems-wide change will no longer take the form of massive and coincidental upheavals rippling out from the centre and at the decree of central authority. If the installation of a strategic planning capacity at institutional level is successful, the systems adjustment will be a matter of continual change. Individual establishments will move in

different directions, at different times, with different priorities and different objectives depending on how each perceives its opportunities, its strengths and its weaknesses. Some will innovate. Others will not. Some innovations will succeed and just as inevitably others will fail. Nor should one play down the fact that market forces inject into higher education systems an element of continual instability. They also involve a change in the paradigm of change moving it from the top-down engineering model to one founded more upon the concept of organic evolution taking place simultaneously and at different levels of the system.

Under such conditions, the role of systems management at the central level assumes the function of boundary maintenance, even though that boundary may in fact fluctuate. Within such boundaries, the opportunity for change is a continuous and natural state. When one bears in mind that this is almost exactly the reverse function that central planning has discharged hitherto, one gains some insight into dramatic nature of the shift at present taking place. Previously, central planning rested on the presumption that the natural condition of higher education was one of stability. Its purpose was to maintain that stability and to intervene only when dysfunction or instability threatened and then with the objective of promulgating change as a means of returning to a new situation of equilibrium within newly defined boundaries. The market model, however, rests on the belief that stability is not a natural condition. It is provisional. And the creation of temporary equilibria is not a function of the centre but of the individual peripheral or base establishments.

Conclusion.

No-one can doubt that the current ideology of preparing for the market involves gearing up higher education to face up to and to tolerate continued instability. It places a particular premium on sustained adaptability. But such adaptability itself contains certain risk factors which may be especially detrimental to higher education which, if it is nothing else, is a long term enterprise. It encourages the short term. It encourages what may appear to be immediate returns often to the detriment of the long term vision. There are other inherent risks too. Opportunities seized at one moment may turn out to be dead ends. Strategies worked out with great care, may be outstripped by the pace of events, by the speed of industrial change or by the insensitivities of the original analysis. But if institutes have each the capacity to shape their own fate, individual failures - though painful - may be learnt from and the damage confined to that institution rather than perpetuating it across a whole system.

Be that as it may, there are two aspects I would put for your consideration. In Western Europe of the Sixties and early Seventies, the expansion of higher education was the product of a mixed welfare state economy. Expansion was not the direct work of the market economy so much as the state directing public resources from the market economy to higher education and sustaining that expansion. What we have to face in preparing for the market is that the higher education system which state intervention developed under policies of massive subsidisation, may prove beyond the capacity of market forces to sustain, even if those market forces are expected to fund a part of the total needs in terms of financial resources. If that is the case, we have to ask ourselves the question "Which institutes, which disciplines may face reduction and for what reasons?"

The second aspect is, of course, that however much we may seek to bring the market into higher education, by the nature of its fluctuations, we cannot entirely rely on it. And the greater the portion of institutional income

generated from that source, so it may be argued, the greater the potential vulnerability when boom gives way to slump. Here, recent developments in British higher education are not unenlightening for the 1988 Education Act anticipates precisely this scenario by permitting the termination of tenured faculty appointments on economic grounds. (Tight,1988)

To be sure, this is a worst case situation. But for the legislator to legislate shows he is conscious of the possibility. There is, as I suggested at the start of this essay, always the risk that the university which sallies forth into the market place to hunt the Snark of reward and extra resources may suddenly find itself face to face with the Boojum of recession and exceedingly short commons. For my own part, I - like all my colleagues in university - hope that this unexpected confrontation will not mean that the victim will "softly and suddenly vanish away."

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Flexibility Production and Pattern Management

Two basic instruments of strategic planning for higher education institutions

F.A. van Vught

1. Introduction

Since their very first days in medieval Bologna, Paris and Oxford one of the most distinguishing marks of universities has been the underlining of the value of professional autonomy. This value has often been threatened. But again and again scholars and teachers have fought their academic freedom against princes and bureaucrats. From the first struggles with the Chancellor of the cathedral of Notre Dame in thirteenth century Paris on (1), academics have done their utmost to conquer and protect the autonomy to organize their research activities as they wish and to teach the subjects they judge to be important.

During the few last decades many European governments have imposed comprehensive and detailed control systems on higher education institutions. Because of the financial stringencies these governments were facing, they tried to influence higher education institutions to behave more efficiently and to adapt themselves better to the presumed needs of society.

Recently however, in several European countries the idea is developing that perhaps a loosening of the grip of government and a restoring of the priority of the value of professional autonomy may create fruitful conditions for the enlargement of quality and creativity in higher education. Especially in the Federal Republic of Germany, France, the Netherlands and Spain and to a certain extent also in Finland, Norway and Sweden, discussions have been started about 'new ways of steering the higher education system'. In these new steering conceptions the relocation of power within the system is an important aspect. The autonomy of the higher education institutions is increased and government has only a 'remote control'-function.

This new strategy of governing higher education systems has been called the strategy of self-regulation (2). In this new strategy government however still has an important role to play. Government is willing to step back, but not willing to give away its privilege to coordinate and steer the system.

The strategy of self-regulation is based on the idea that the enlargement of the institutional autonomy will result in an improvement of the performance of the higher education system. The higher education institutions will have a greater autonomy to shape their own activities. The institutions will be allowed to take their own responsibilities in the fields of education and research. The detailed governmental regulations concerning these activities will be done away with.

The enlargement of the institutional autonomy is assumed to result in a better adjustment to, and even an anticipation of, changing societal conditions. By the enlargement of the institutional autonomy the system as a whole is expected to become more effective in its reactions to the increasing turbulence in its environment and hence to become better suited to the rapidly changing demands of modern society. More autonomy at the institutional level is expected to result in more scientific and technological breakthroughs and in better educated professionals.

The relatively new strategy of self-regulation already has been the object of debates and analyses. It has especially been argued that the strategy of self-regulation, like the Roman god Janus, has two different faces. Higher education institutions are given more autonomy, but government keeps the power to influence their behaviour. Higher education institutions are confronted with more freedom, but this freedom is only a freedom to act according to the wishes of government (3).

Nevertheless, there appears to be developing a new trend in European higher education governance: an increase of autonomy of the higher education institutions. In some European countries higher education institutions are already facing the task of formulating an answer to the challenge of the enlargement of their autonomy. A crucial question is: how can these institutions design a management approach that will be effective in the context of the strategy of self-regulation?

In this paper this question will be addressed. We will try to formulate an answer by presenting two basic features of strategic planning for higher education institutions. The formulation of these features will be the result of a confrontation of the literature on planning in general with some of the fundamental characteristics of higher education institutions. These fundamental characteristics will be formulated on the basis of an exploration of the literature on higher education. The literature on planning in general will be analyzed using an instrument by which specific planningconceptions can be 'scored'.

2. Strategic planning for higher education institutions ?

Planning is a term covering many things and indicating many different approaches. In another part of this paper this extensiveness of the concept of planning will be illustrated. Let us now focus on planning in higher education institutions.

In the United States the management approach, which was developed and used in industry, is since the 1960's introduced in higher education institutions. Higher education institutions were supposed to manage their affairs more effectively and to support their decisionmaking processes (especially concerning the allocation of resources) with rational techniques.

The introduction of this rational management approach indicates the start of institutional planning activities at higher education institutions. And these activities developed fast. During the last decades planning has come to be interpreted as a process by which a strategy is to be formulated. This strategy should help the higher education institutions to articulate their intentions towards the future in a set of objectives and to design the various steps necessary to reach these objectives.

In several publications a model has been presented for such a process of strategic planning. For instance Peterson (1980) mentions four 'broad elements' of strategic planning for higher education institutions:

1. environment assessment or scanning (to identify trends or potential changes in the environment and their implications for the institution)
2. institutional assessment (to clarify strengths, weaknesses, problems, and capabilities of the institution)
3. values assessment (to consider values, aspirations, and ideals of various constituencies and responsibilities of the institution to them and the larger public)
4. master plan creation (to devise a strategic pattern, design, or direction for the institution on the basis of the first three elements (4).

Keller (1983) indicates that the two critical areas for analysis in strategic planning are the own organization and the environment. For each of these areas he mentions three elements that should be the focus of examination (see figure 1) (5):

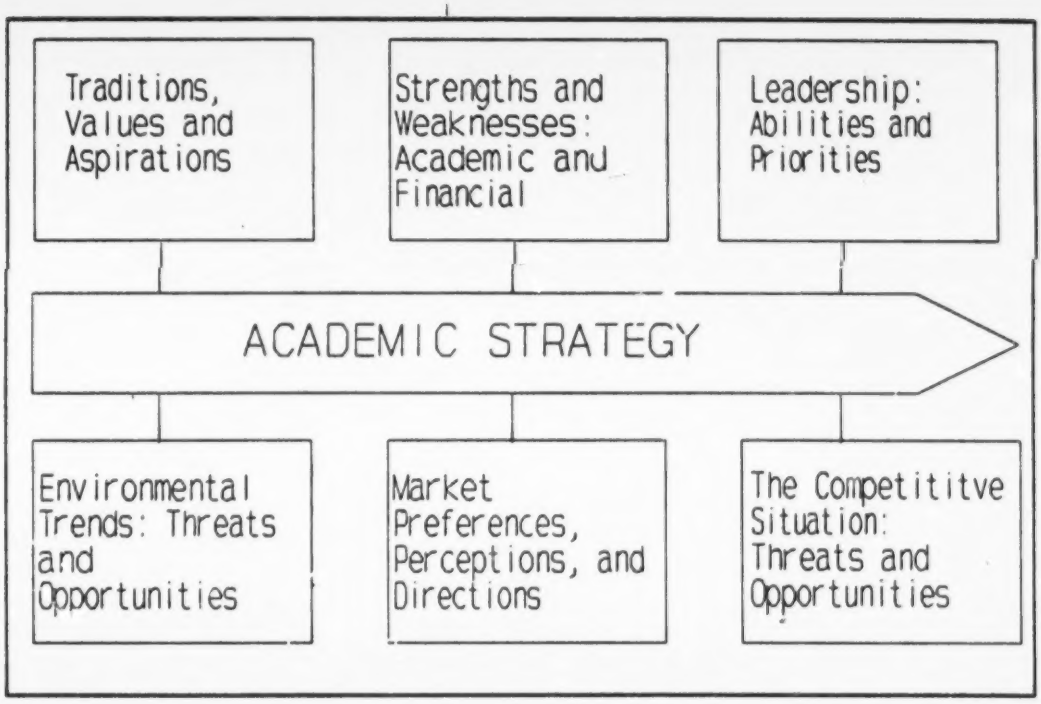
Traditions, Values and Aspirations
Strengths and Weaknesses: Academic and Financial
Leadership: Abilities and Priorities
ACADEMIC STRATEGY
Environmental Trends: Threats and Opportunities
Market Preferences, Perceptions, and Directions
The Competititve Situation: Threats and Opportunities

Figure 1: Keller's model of strategic planning

Various authors on strategic planning in higher education argue that the academic reality is totally at odds with the theoretical models of strategic planning. And many of them claim that this reality will have to be adjusted to the theoretical models, in order to make higher education institutions manageable (6).

However, the question may be raised whether academic reality should adapt itself to the theoretical models, or a theoretical model should be designed which is in accordance with some of the fundamental characteristics of higher education institutions. In this paper the latter position will be taken. We will try to develop a conception of strategic planning for higher education institutions while taking into account that these institutions have their own idiosyncracies.

3. Some fundamental characteristics of higher education institutions

Since those medieval times of Bologna, Paris and Oxford, much has changed in higher education. But some fundamental things have stayed the same.

Like in those first medieval forms of institutionalization, higher education can still be seen as a social system in which the handling of knowledge is the most crucial activity. In higher education systems knowledge is discovered, conserved, refined, transmitted and applied (7). If there is anything fundamental to systems of higher education, it is this handling of knowledge.

The primacy of the handling of knowledge is related to some other fundamental characteristics, which can be found within higher education institutions.

An important characteristic is the organizational principle that in higher education institutions the knowledge areas form the basic foci of attention. The knowledge areas are the 'building blocks' of an higher education organization and without some institutionalization of these knowledge areas a higher education organization cannot

exist. This principle leads to the typical organizational structure of higher education institutions. Fragmentation is abundant in these organizations. Everywhere within the organization specialized cells exist which are only loosely coupled. Within those rather autonomous cells the crucial knowledge-oriented activities take place. Specialists in specific knowledge fields group together to teach and undertake research. To a large extent insulated from the rest of the organization, these specialists use their autonomy and expertise to perform the basic activities of the organization.

Hardy et al. (1983) have pointed at two mechanisms which appear to be essential to the fragmentation of higher education institutions: 'pigeonholing' and standardization of skills and knowledge'.

Pigeonholing is the process dividing an organization's activities into a series of standard components or programs which are applied to predetermined situations or contingencies. A higher education organization partitions its tasks through pigeonholing. Courses and programs are isolated from one another, thereby minimizing the need for coordination across tasks and maximizing the discretion of the specialists who carry out these tasks (8).

Standardization of skills and knowledge takes place through the training of the specialists and through the communication and affiliation with their colleagues and peers. In their often long years of training specialists are programmed to approach their fields in generally accepted terms. Through the communication with their colleagues these professional norms are enhanced. 'Professors choose books that tend to be well regarded by their colleagues, they design their courses in ways that reflect their own training, they adopt teaching methods acceptable in their disciplines..., they research subjects that can be funded by the granting agencies (which in turn are subject to professional influence), and they write articles in styles acceptable to the journals referred by their peers' (9).

A further fundamental characteristic of higher education institutions is the extreme diffusion of the decisionmaking power. In an organization where the production processes are knowledge-intensive, there is a need to decentralize. When besides that, such an organization is also heavily fragmented, the decision-making power will be spread over a large number of units and actors. A higher education institution therefore becomes a federal system: 'semi-autonomous departments and schools, chairs and faculties act like small sovereign states as they pursue distinctive self-interests and stand over against the authority of the whole' (10).

A next characteristic of higher education institutions worth mentioning has to do with they way innovations take place in these organizations. Burton Clark has argued that change is far more crucial in higher education institutions than conventional wisdom would suggest. 'Despite the belief of many observers that academic systems change significantly only when pressured by external forces, such systems increasingly exhibit innovation and adaptation among their bottom lines. Invention and diffusion are institutionalized in the work of the departments and counterpart units that embody the disciplines and professions ..... Such change is widely overlooked ..... It occurs in segments of the operating level ..... In a bottom-heavy knowledge institution, grassroots innovation is a crucial form of change' (11). Clark also comes to the conclusion that innovations in higher education institutions are mainly incremental adjustments, building up to larger flows of change. Major, sudden and comprehensive changes are rare in higher education institutions. Because of the fragmentation of tasks and the diffusion of power such changes are extremely difficult to effect.

A final characteristic, which is typical for higher education institutions in Europe, is the way the authority is distributed within these institutions. Traditionally this authority has been (and still is) located at the lower levels of the organization, that is: with the academic professionals. At the level of the institutional administration the authority is rather weak. Institutional administrators only have a very limited capacity to steer 'their' organization. The weakness of the authority at the institutional level in European higher education institutions becomes especially clear when institutional decisions have

to be taken. Very often such decisions can only be made when, after long deliberations, finally agreements can be reached.

The rise of the new strategy of self-regulation in European higher education is an important challenge for European higher education institutions. This strategy addresses these institutions at their weakest level. Institutions are asked to take their own responsibilities and to develop their own policies, not as confederations of autonomous basic units, but as integrated organizations with a clear identity. When the institutions want to answer this challenge, they will have to develop a type of institutional management in which the traditional academic arrangements are respected, but in which also the institutional decision-making capabilities are used to develop a common strategy.

The fundamental characteristics of higher education institutions mentioned above bring us to a crucial subject for our analysis: decision-making in higher education organizations.

In the higher education literature so far four theoretical models have been developed which can be used to analyze decision-making processes in higher education institutions. These models are respectively called: the 'analytical' or 'rational actor' model, the 'garbage can' model, the 'collegiality' model and the 'political' model (cfr. Hardy et al., 1983).

The *analytical model* is based on the fundamental assumption of rationality which, as Simon (1945) has indicated, 'is concerned with the selection of preferred behaviour alternatives of some system of values whereby the consequences of behaviour can be evaluated' (12). Simon also makes clear that rationality as such is a rather vague term and he proposes to use it only in conjunction with appropriate adverbs, like: objective rationality, subjective rationality, conscious rationality, organizational rationality, personal rationality, etc. The analytical model implies a conscious, organizational approach to rationality, which means that a decision alternative is consciously chosen by evaluating the consequences of all available alternatives in the light of the organization's objectives. This model of decisionmaking is an important feature of the strategic planning approach that has been developed and used in hierarchical, highly integrated organizations (businesses, formal bureaucracies). As has been pointed out by several authors (f.i. Baldridge, 1971; March and Olsen, 1976), because of the fundamental characteristics mentioned above, the analytical model only to a limited extent fits higher education organizations.

The garbage can model is very different from the analytical model. In the garbage can model decision-making is conceptualized as 'collections of choices looking for problems, issues and feelings looking for decision situations in which they may be aired, solutions looking for issues to which they may be an answer, and decision makers looking for work' (13). Compared to the analytical model, this model is irrational. It focusses on non-purposive behaviour and provides a perspective of nearly completely random decision-making processes. Although the garbage can model may offer an intriguing view on higher education organizations, it is also judged to apply only to peripherical decisions in these organizations (14).

The collegiality model proposes to look at decisions as made by a 'community of individuals and groups, all of whom may have different roles and specialities, but who share common goals and objectives for the organization' (15). In this model the fragmentation of the organizational structure is accepted. Nevertheless, decisions are supposed to be taken by consensus. The critique on this model is that this emphasis on harmony and consensus is unrealistic.

In the political model the differences of the various gr[illegible] and units of the organization give rise to political processes of coalition-building [illegible]ertion of pressure on decision-makers. In the political model actors are assume[illegible]o be driven by self-interest. They are assumed to try to influence the outcomes of decision processes by all the political means they have at their disposal (16). Against this model it has been

argued that it overstates the importance of politics and that it pays too little attention to the possibility of collegiality.

These four models of decision-making in higher education institutions focus our attention on one of the most crucial aspects which should be involved in the formulation of a conception of strategic planning fitting European higher education institutions. The organizational fragmentation, the diffusion of the decision-making power, the 'grassroots' character of innovations and the limited authority of the administration (all fundamental characteristics of higher education institutions) ask for a realistic and clear point of view regarding the subject of academic decision-making.

4. An analytical instrument to explore the literature on planning

The literature on planning is mainly a literature consisting of normative guidelines and recommendations on 'how to plan'. Theories which might explain what kind of factors influence specific aspects of planning processes or what kind of variables produce specific planning outcomes are hardly available (17). Most publications on planning, be it in the field of urban planning, of public administration or of management sciences, are pleas for certain approaches. Often a specific planning methodology is presented which is claimed to be superior to one or more other methodologies.

Here these methodologies and approaches will be called 'planningconceptions'. A planningconception can be defined as a more or less coherent opinion, to be found in the literature on planning, on the desirability and/or the significance of the shape of the process of planning. A planningconception is a set of normative statements on how, according to the advocate(s) of that conception, a process of planning should be given shape.

It is not easy to get a more or less overall picture of the many planningconceptions which the literature has to offer. We nevertheless have tried to make an inventory of these conceptions. Moreover, we have tried to analyze these conceptions using some specific angles of incidence.

To formulate our analytical instrument we have made use of Faludi's 'positive theory of planning' (Faludi, 1973b), which we have given the form of three dimensions on which planningconceptions can be scored. To this theory we have added one extra dimension which corresponds to the four theoretical models of decisionmaking presented before. Figure 2 captures our analytical instrument.

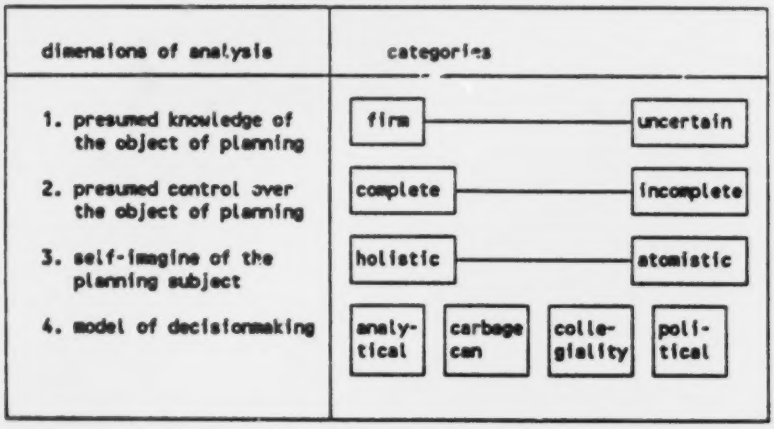

Figure 2: Instrument for the analysis of planning conceptions

The first question we have asked looking at a planning conception is whether in this conception knowledge on the object of planning is presumed to be certain or uncertain. An image of (more or less) certain knowledge offers a description of the object from which (if the level of control is presumed to be high) precepts may be derived for manipulating it to reach objectives with certainty. An image of uncertain knowledge at the most gives an indication of the type of intervention which might lead to desired effects. It leaves room for flexibility and caution.

The second question refers to the scope of control the planning organization thinks to have over the object of planning. On the one extreme the image exists of a (nearly) complete control, leaving (nearly) no room for the object to act in other ways than those set by the planning subject. The other extreme offers an image of very limited capabilities to control for the planning subject, leading to the necessity to bargain with others or to responding to opportunities that arise.

The third question concerns the image the planning organization has of itself. On the one hand it may see itself as something with a clear standing of its own (the holistic image). On the other hand it may see itself merely as an aggregate of actors and units (the atomistic image).

The fourth question has to do with the kind of decision-making model which might be implied in a planning-conception. These models were briefly introduced in paragraph 3.

5. An assessment of planningconceptions

In figure 3 the results of our analysis are presented. In this table a number of planning-conceptions is scored using the analytical instrument presented above. These conceptions have been distilled from the planning literature. For each conception one or more publications have been identified. The classification of figure 3 has been produced by the opinions and suggested approaches in these publications on the four dimensions of our analytical instrument. In our discussion in the next paragraph we will briefly sketch some of the planningconceptions mentioned in figure 3. For a more comprehensive understanding of these conceptions we have to refer to the literature. In the appendix for each planningconception one or more references can be found.

As may be seen from figure 3, not all conceptions appear to be clear on all the four dimensions of analysis. Some conceptions mainly focus on the issues of the quality of knowledge and/or the scope of control; other conceptions emphasize a certain model of decision-making, usually in connection with a clear opinion on the self-image of the planning subject.

It would have been possible to include many more conceptions in our analysis. However, those conceptions often are rather vague concerning the issues we would like to address in this analysis. For this reason they have been left out of the presentation in figure 3.

planning conception	presumed knowledge on planning-object	presumed control over planning-object	self-image of planning subject	model of decision-making
comprehensive planning (Meyerson & Banfield 1953)	firm	rather complete	holistic	analytical
incremental planning (Braybrooke & Lindblom 1963)	uncertain	uncomplete	atomistic	political
process planning (Faludi 1973a)	uncertain	uncomplete		
systems planning (Jantsch 1972)	firm	rather complete	holistic	analytical
cybernetic planning (Beer 1959; Chadwick 1971)	uncertain	uncomplete	atomistic	
adaptive planning (Benne 1962)	uncertain	uncomplete		
advocacy planning (Davidoff 1965)			atomistic	political
mixed scanning (Etzioni 1967)	rather firm but multi-leveled	uncomplete		
communicative planning (Van Gunsteren 1976)	uncertain	uncomplete	atomistic	collegiality
transactive planning (Friedman 1973)	uncertain	uncomplete	atomistic	collegiality
participatory planning (Bolan & Nuttall 1975)	uncertain		atomistic	collegiality

Figure 3: An assessment of some planningconceptions

6. Towards an appropriate strategic planning-conception for higher education institutions

The authors who have proposed a strategic planning approach for higher education institutions have made it clear that the object of planning in this conception should consist of both the environment of the organization and the organization itself. As mentioned before, Keller for instance distinguished two basic foci of attention for strategic planning in higher education institutions: the environment and the own organization.

Now both the immensity of the environment of a higher education institutions and the fundamental characteristics of such an institution (as described above) make it evident that a planningconception is indicated which takes into account that the knowledge of the planning object is uncertain and that the control can never be complete.

The environment is too broad and too dynamic to try to formulate definite descriptions and explanations, from which guaranteed effective interventions could be deduced. Higher education institutions are confronted with all kind of developments and changes in their environment, which should of course be monitored and analyzed. But it would be arrogant and dangerous to think that on any moment knowledge-sets could be produced about environmental developments that are infallible.

When we take the basic characteristics of higher education institutions seriously, we have to come to the same conclusion concerning the part of the planning object that is the 'own organization'. Planners at higher education institutions cannot gain complete and certain knowledge about their own organization. The organizational fragmentation, the diffusion of the decision-making power, the 'grass-roots' character of innovations and the limited authority at the administrative level prevent planners from building up such knowledge sets. Much of what happens at higher education institutions remains unnoticed by administrators and planners. The level of specialization of the academic activities and the way these activities are organized are fundamental barriers to the development of complete and detailed central information systems.

Planners at higher education institutions also cannot have a firm control over their environment or the own organization. Placed in their environment, higher education institutions are only one of many actors. Higher education institutions are confronted with governmental organizations, with groups of (potential) students, with organized employers, with labour unions, with funding agencies, coordinating bodies and evaluating committees. And all these actors have their own basis of power. The administrators and planners of higher education institutions can try to interact with these other actors. They cannot control all decisions of all actors in their environment. The level of environmental control of higher education institutions is rather limited.

The same holds for the level of internal control. Again it are those basic characteristics of higher education institutions which to a large extent limit the capacity of institutional planners to steer the professional experts in traditional bureaucratic ways. The professional autonomy of the academic experts and the processes of pigeonholing and standardization of skills and knowledge (see before) make it impossible for institutional planners to effectuate hierarchical control strategies. Not only concerning their environment, but also in their own organization the control of the planning object of higher education institutions is very incomplete.

The planningconceptions which pay attention to uncertain knowledge and incomplete control of the planning object are for institutional planning in higher education by far the most interesting. As can be seen from figure 3, these are the conceptions of incremental planning, process planning, cybernetic planning, adaptive planning, mixed scanning, communicative planning and transactive planning. What all these conceptions have in common is, among some other things, their emphasis on flexibility. Flexibility can be defined as the capacity in a process of planning to make adaptations to unforseen or changed circumstances.

In *incremental planning* this flexibility is pursued through the emphasis on small changes. In incremental planning policy-decisions are directed 'towards specific ills rather than toward comprehensive reforms' (18).

In *process planning*, *mixed scanning* and *adaptive planning* flexibility is strived after by the introduction of (multi-level) systems of monitoring, by the incorporation of feed-back circuits, and by delaying far-reaching decisions. Through these mechanisms a permanent process evaluation is related to the recurrent capacity to redirect the planning process.

Communicative planning and *transactive planning* are both rather abstract conceptions in which the idea of learning processes plays a crucial role. Both conceptions are basically pleadings to engage in 'societal learning' and to use 'processes of dialogue' to make such learning come true.

In *cybernetic planning* especially the concept of 'steady state' has triggered an approach which can be seen as an instrument for producing flexibility. The ultimate objective is, what cybernetic planners call, 'survival in reasonable comfort' (19) or 'the avoidance of ruin-paths' (20). In cybernetic planning much attention is paid to the selfsteering capacities of actors or units within a broader system. Cybernetic planning is a kind of 'meta-planning', providing a general framework for the autonomous activities of self-steering units. An important aspect of this conception is the conviction that the avoidance of ruin-paths for an overall system is only possible when the various units of such a system can make use of their own steering potentials, which therefore should not be heavily restricted by detailed guidelines. Flexibility in this conception is organized by delegating decisions to those actors who have intimate and detailed knowledge of the situations in which the planning should take place.

All these planningconceptions underline the necessity of the awareness of uncertainty and incomplete control. Circumstances change or are not foreseen, so appropriate responses must change. Focussing of flexibility is a way to try to organize appropriate responses.

Looking at these conceptions, there appear to be two basic ways to incorporate flexibility into planning processes: delay and delegation. The delaying of decisions enhances the adaptability in the future. Especially when decisions are postponed which, when taken, would tie up resources for a long period, the level of flexibility increases. The delegation of decisions to those who are in more detail informed about their own environments increases the level of information in the overall system and the capacity to react effectively to new or unforseen circumstances. Delegation therefore is an important instrument to increase flexibility.

It may be concluded that focussing on flexibility should be a basic feature of a strategic planning conception for higher education institutions. The position of these institutions within their environment and their fundamental characteristics all point into the same direction: flexibility is crucial for these institutions. One of the most important tasks of institutional planners is to design and use the instruments which can produce such a flexibility.

A second basic feature of strategic planning for higher education institutions can be formulated when we pay attention to the two other dimensions of analysis in figures 2 and 3.: the self-image of the planning subject and the ways decisions are taken in higher education organizations.

In higher education institutions many decisions can only be made by the professional experts. These are the decisions regarding many of the detailed knowledge-oriented academic activities of research and teaching. In all those specialized knowledge-fields, which are held together in a higher education institution, decisions on what and how to investigate, and on what and how to teach to a large extent come under the direct supervision of the academic experts. Nobody but they are able to oversee their specialized fields. Nobody but they are able to stimulate the enthusiasm of strudents for

specific objects of study. This is why professional autonomy is so important in higher education institutions and this is why these institutions are called 'loosely coupled systems' (21) or 'professional bureaucracies' (22).

Of course, not all decisions in higher education institutions are taken by professionals. There is a category of purely 'administrative' decisions (f.i. regarding financial administration and 'support services') which to a large extent are beyond the professional influences. There also is a category of decisions which are mainly taken by 'clients' (students, research contractors). And there is an important category of decisions mainly taken by 'outsiders' (government, funding agencies, evaluating committees). Nevertheless, the influence of the professional experts on the decision-making processes in higher education institutions is extensive. In many decisions taken at these institutions professionals play an important role.

Taking this professional influence on decision-making into account, as well as the fundamental characteristics of higher education institutions mentioned above, it may be concluded that the self-image of the planning subject can only be atomistic. A higher education institution has many faces. It rather is a conglomerate of actors and units than an organization with an integrated vision and one set of values.

The planningconceptions which emphasize an atomistic self-image of the planning subject are: incremental planning, cybernetic planning, communicative planning, transactive planning, advocacy planning and participatory planning.

Incremental planning has become known as the basic alternative for the comprehensive planningconception, which is the traditional view of planning as the rational calculation of all costs and benefits of all decision-alternatives from the angle of a consensus on a proclaimed 'general interest'. The comprehensive rational planning conception has been heavily criticized in the planning literature: 'In the bird's-eye perspective of these planners, society appears harmoniously ordered; conflict and struggle are either absent or subordinated to the superior wisdom of the collective mind' (23). 'The idea of a consensus preference is nothing but a pipe-dream' (24). The conception of incremental planning does not deny the existence of different positions and interests. It rather takes these as a starting point to formulate an approach in which decisions have to be reached by compromising and bargaining on operational matters. However in the incremental approach, participation in these bargaining processes is a privilege of the leaders and representatives of the various interest-groups.

As was indicated before, in *cybernetic planning* the atomatic self-image of the planning-subject can be found in the delegation of decision-making power to self-steering units. In this conception it is recognized that those units should be able to use their own images and values to make decisions concerning their direct environment. A coordination of these various decisions is strived after by a general framework which is provided by a higher systems level.

Both *communicative planning* and *transactive planning* clearly take a 'multi-actor' approach to decision-making. In both conceptions it is emphasized that in decision processes different opinions and organizational positions are of extreme importance. According to these conceptions, the way to integrate these differences is to engage in processes of sincere dialogue by which 'mutual learning' will take place and consensus can be reached.

A more radical approach to the recognition of the existence of different interests is the conception of *advocacy planning*. In advocacy planning the assumption is formulated that every plan reflects the opinions of those who design it and that therefore every interest-group should have its own planners. Planners should be 'advocates' of the groups they represent and they should not hide for the confrontations with the interests of other groups (25). An important criticism on the conception of advocacy planning is that a confrontation of interests would make the decision process very difficult. 'The natural tendency [of advocacy planning] is to harden the lines of thought; to stiffen the obstinacy with which people cling to intellectual positions they might otherwise have

abandoned; to embody conflict in institutional forms; to castigate compromisers as cowards ..... (26).

This criticism has opened the door for another conception of planning which also addresses the issue of the existence of different interests. This conception is the approach called *'participatory planning'*. The basic idea of participatory planning is to try to incorporate as many interested actors as possible in the processes of decision making. In stead of the elitist bargaining by the leaders in incremental planning or the radical confrontation of interests in advocacy planning, in participatory planning the emphasis is put on a stimulation to participate in decision-making processes. The task of a planner in this conception is to design and practice techniques and social mechanisms that can stimulate participation. Planners should become experts in 'interactive skills' and try to relate theoretical knowledge to the personal experiences of the actors (27).

As may be seen from figure 3, all the planningconceptions just mentioned emphasize either the political or the collegiality model of decision-making. This indicates that in these conceptions decisions are interpreted as the outcomes of a variety of interactive processes. In higher education institutions these processes occur at various fora and involve various mixtures of professionals, administrators, clients and outsiders. As a result of this heterogeneity of participants and fora the outcomes of decision-making processes often lack coherence. To the outside world the set of decisions taken in a higher education organization often looks as a unintegrated patchwork.

It is a main task of strategic planning to bring some coherence in the many different decisions made in higher education institutions. If an organization wants to address its future it will have to develop a recognizable profile of itself in which at least some generally shared values can be presented. In the literature on strategic planning in higher education institutions this task is indicated as the formulation of a 'mission'. The mission of a higher education institution is the expression of what the institution hopes to accomplish in response to the support and expectations of society (28). Mission formulation implies decision-making about clientele and about institutional functions, responsibilities and commitments. It is, as Peterson indicates, decisionmaking about basic institutional values (29).

Decisions about the values an institution should adopt cannot be the privilege of planners. The fundamental characteristics of higher education institutions and especially the dominant decision-making models in these institutions make it clear that such decisions should be the result of consultations and political processes and cannot be centrally imposed and hierarchically implemented.

The implication of this is that, in stead of deliberate and explicit intentions to be formulated prior to their implementation, strategies should be seen as patterns of actions and decisions emerging form the variety of interactive processes within higher education institutions. Strategic planning in this conception has more to do with the stimulation of a minimum level of coherence in the emerging actions and decisions than with the conscious design of objectives and instruments.

The stimulation of coherence in emerging actions and decisions can be seen as a second basic feature of strategic planning for higher education institutions. As the feature mentioned above (the focussing on flexibility), this feature is also highly correlated with the fundamental characteristics of higher education institutions. It is based on the idea that the decision-making power is highly diffused and that professional experts are influential actors in the various decision-making processes.

On a more operation level this second basic feature can be formulated as 'pattern management'. The task for institutional planners which follows from the feature of stimulating coherence in emerging actions and decisions is the task of considering these actions and decisions and trying to discover patterns which can next be put forward as objects of discussion and decision-making. This task of 'pattern management' could be a major aspect in the pursuit of coherence in emerging strategies (30), and as such it is one of the basic instruments in strategic planning for higher education institutions.

7. Summary

In this paper we addressed the question how higher education institutions can design a management approach that will be effective in the context of the governmental strategy towards higher education in Europe which is directed towards the enlargement of institutional autonomy. To answer this question we first made an inventory of some of the fundamental characteristics of higher education institutions. Next we analyzed the literature on planning using an instrument for analysis by which we were able to 'score' a number of planningconceptions that have been proposed in the literature. By confronting these scored conceptions with the inventory of fundamental characteristics of higher education institutions we finally were able to formulate two basic features of strategic planning for higher education institutions: the focussing on flexibility and the stimulation of coherence in emerging actions and decisions. On a more operational level we indicated possible instruments for 'flexibility production' and 'pattern management'.

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(See Figure 3)

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Higher Education, the State and Markets

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HIGHER EDUCATION, THE STATE AND MARKETS

Two fundamental characteristics of Universities are autonomy and internationalism. Clark Kerr (1990) has argued that higher learning maintained for two thousand years its character as a community transcending national and other boundaries; only five centuries ago, at the time of the Reformation, did this international community of learning begin to split into national institutions, serving the functions of reinforcing nationality and training national elites. The nation-states needed the universities' support. Nowadays, while on the one hand research is increasingly international, national governments are also increasingly interested in using the universities to promote national wealth. Kerr (1990: 5) has called this relationship one of 'dual identity', poised between a mythical academic heaven and the actual earth/ hell. On the other hand, signs are also becoming visible of a new reconvergence, and the emergence of the 'cosmopolitan-national' university.

With increasing internationalization, competition is taking on more and more significance as a means of control of higher education. Whatever fiction may be preached concerning the nominal equality of different components in the higher education system, intensifying competition inevitably means the formation and reinforcement of institutional hierarchies (Neave 1989: 360).

The markedly hierarchical systems in countries such as the UK, France or Japan produce towering peaks of excellence, but simultaneously close the doors of advancement to the masses, and even exclude large sections of the higher education institutions themselves outside the inner elite. In contrast, the gentle rolling landscapes of higher education in Italy encourage openness and social mobility, but discourage the emergence of summits of excellence (cf. Clark 1983: 256). In one perspective, institutional hierarchy offers a form of quality control: responding to the evaluations by both public and expert opinion, it rewards competent operation with status, prestige and resources. On

the other hand, although the American system, with its openness and free market mechanisms, can produce a few real centres of excellence, these are far outnumbered by the merely average and indeed bad colleges.

Way back at the beginning of the 20th century, Max Weber (1974, 20-21) pointed out that there is no more guarantee that the interests of science or the academic community will be met through the means of universities financed or maintained by the State than through those formerly under the control of the Church. Weber was seriously concerned about the danger that the role of the State, as the vehicle of political power, could lead to the castration of academic freedom.

By the end of the century the question at the centre of debate about the university (in Europe, at least) would appear to concern the tug-of-war between market attraction and State governance in steering the future development of higher education. In the last instance, however, the most important question is how can the academic community preserve its autonomy, its identity, and its vitality amid the turbulent changes currently under way at both the national and international levels?

Size and integration: structural factors in higher education

"In every advanced society, problems associated with higher education are problems associated with growth", argued Martin Trow (1974: 55) in his OECD report in the mid-1970s. For a more carefully focused analysis, however, we need to distinguish between three factors: the rate of growth of higher education; the size of the university system; and the rate of population growth in the generation entering higher education at any given time. Rapid growth and the scale of the higher education system create problems in terms of integration and governance. The growth in the size of the generation entering higher education, on the other hand, raises questions related to the changing societal role of the university. The impact of this form of growth has in fact made the university more central in society, and contributed to the formation of social stratification.

Trow's (1974) division of universities into three stages in terms of recruitment is familiar. In the elite university phase, entry to higher education was open to a small minority, below ten per cent of the age group. An academic education was the privilege of the minority, and those who received it were able to move on into positions of privilege within society, as judges, physicians, clergy, and schoolmasters. Once more than fifteen per cent of each generation gains access to the university, however, we enter the age of the

mass university. The third phase, that of the universal university, is defined by Trow as occurring when more than half of each generation enters higher (or perhaps 'tertiary') education; and this stage has now been reached both in the USA and in a few other countries. Finland, however, with one fifth entering higher education, is still far from this point.

Alongside institutional size, student numbers, and the proportional recruitment within each generation, a further central structural factor in the higher education system is the degree of integration (Teichler 1988): i.e. the extent to which any particular national system is integrated or segmented. Scale and integration thus furnish the two dimensions of a field in terms of which the structural differences between various national higher education systems can be classified. In the following, this field will be simplified into three contrasted models of the university.

Figure 1. National higher education systems in terms of scale and integration (Lane 1989: 45, cf. Teichler 1988).

The US, West European, and Nordic Higher Education models

Any attempt to discuss higher education in the United States or Western Europe inevitably involves powerful generalizations and simplifications. The considerable differences which exist between the universities and colleges in

the fifty American States and the many nations of Western Europe must not be forgotten. Nor within the countries of Northern Europe, represented in this paper by Finland, organized on a standardized model. Nonetheless, it may be fruitful to consider these as constituting three distinct types: the university in the United States, in Western Europe, and in Northern Europe.

The USA

It is argued by Martin Trow (1979: 191) that in Europe, with the expansion of higher education, and especially of the non-university sector, supply is currently in excess of demand. The situation is extremely different in the United States, where both the market and competition operate on a completely different scale. Not only has the United States an extensive private university sector, but even within the public sector, each university's or college's budget is closely linked to the number of students it trains. If a college's student enrolment falls, so does its budget. Higher education in the States is thus characterized by severe competition, powerful specialization, and major differences in status between institutions (Trow 1979).

Similarly, American higher education is analyzed by Gary Rhoades (1987) in the context of a consumer society: its major distinguishing characteristic in comparison with European systems, he argues, is the fact that it is market-driven and open (based on student demand). Neither the Federal nor the State governments attempt to control higher education in detail; operations are strongly steered through the consumers' financial choices, rather than the politicians' political priorities, although many of the private universities and colleges are also heavily financed by the public money.

The number of students in higher education in the United States is nowadays around 13 million, i.e. approximately the same as the total populations of Norway, Denmark and Finland combined. The numbers of teaching and research staff in the States amount to around 800 000: i.e. a number similar to the total student enrolment in higher education in the United Kingdom (and eight times the student enrolment in Finland). These figures provide some idea of the scale of the higher education markets involved (Clark 1990; Trow 1989).

The American universities are able to recruit their personnel from a wide labour market, which in turn offers a wide range of employment to the students who graduate. Mobility among the graduate population is evidently high in comparison with other societies; and the labour markets decide many questions.

The student body in a universal higher education system such as that of the United States is obviously not highly selected, as it is in Europe, although there is intense competition for entrance to the elite universities. No central legislation or organization is in charge of American higher education. Almost 2000 private universities and colleges operate under boards of lay trustees, and the 1500 or so public institutions under the supervision of State or local authorities are also, in many cases, governed by lay boards. Higher education in the United States is thus both the most extended, and the most decentralized system of post-secondary education in the world today (Trow 1989: 369).

Moreover, the higher education system in the United States is in a constant state of flux. Under the combined impact of market forces, the law of demand and supply, the birth and mortality rates for colleges are high. Between 1974 and 1986, for example, approximately 500 new colleges were created, and over a hundred closed down (ibid.: 376).

In the US, the operation of a free market in higher education means, first, that the output of the universities is not the result of centralized planning or decisions. Secondly, since there are so many rival producers, their operations are dominated by competition for clients. This also means that academic standards, curricula, and modes of operation are free to develop in literally hundreds of different directions (cf. Trow 1989: 377).

The central market mechanism consists of factors affecting the status of departments or colleges. Market shifts are thus based not merely on profit, but on prestige. Status is an important commodity and bargaining counter. Relative prestige steers not only the choices of consumers and employees, but also a wide range of attitudes and behaviours affecting the institutions. Universities and departments which have acquired high prestige have a clear effect on others. They provide models for academic operation, trends and modes, which academic drift then pressures other institutions to follow (Clark 1990; cf. Clark 1983).

A US professor, Burton Clark (1990) lists five features as fundamentally characteristic of higher education in the United States:

1) Large size, creating vast markets handling millions of students;
2) Radical decentralization of control, with virtually no governance exercised by either Federal or State authorities;
3) Extreme institutional diversity, with the parallel existence of public and private institutions of many distinct types, and the clear formation of status hierarchies;

4) Intense competition, one of the major points of contrast with European institutions of higher education;
5) High institutional initiative, since conditions of intense competition and extreme decentralization promote an entrepreneurial spirit and the taking of initiatives among the staff of the colleges and universities.

When something takes place under state control, argues Clark, the characteristic mode of thinking is based on the statistics of "adding up": "OECD reviews themselves are excercises in adding things up". The American experts were constantly asked by the OECD panel: "How do you plan this, how do you plan that, how do you integrate everything into a meaningful whole, how do you make things add up?" (Clark 1990: 18). Where a field such as higher education is operating in a market context, however, it becomes by definition decentralized. Things cannot be added up and collated under a single heading any more: they have to be left where they are, in their functional context. The whole concept of system therefore becomes radically different.

In the American system, in fact, the major co-ordination takes place not through government, but through (1) the activities of a network of voluntary associations, and (2) the operations of the market (Clark 1990; Rhoades 1987).

The American decentralized system predicates the existence of autonomous contacts and links between the individuals affiliated to the various universities, colleges, departments, etc., e.g. those working in a particular disciplinary field. It is claimed that the values and preferences of the American academic public make them much more willing to participate as activists in the work of voluntary associations than as organization men or women in a bureaucracy. Voluntary associations, for Americans, represent a means of keeping the bureaucracy at bay; but at the same time, they provide the management of the universities with a mechanism for avoiding the dangers which rampant competition presents (Clark 1990).

Voluntary, autonomous co-ordination is thus an integral element in American academic life and in its institutional development. When a need for links is perceived, the bonds are brought into being; when the challenge has passed, redundant links can be allowed to wither away. Voluntary associations thus at least in principle promote flexible, constantly changing, even once-off co-ordination on a scale not met in other societies.

Western Europe

In Europe, market forces have not so profoundly steered the development of education. Education has partly been seen as a component in State-led social policy, and higher education has mainly been built under State funding and control. Martin Trow (1989: 382) goes so far as to argue that the Europeans (in contrast to the populist Americans) consistently aim at preventing the unqualified masses from exercising influence over the field of higher education and thus over the direction of high culture, and at maintaining this field in the hands of the elite. This elitism, he argues, can be seen in the way that higher education is structured so as to exclude market forces and consumer pressures from questions of access, content or modes of operation. In European universities, the establishment of a new discipline typically comes about only after careful deliberation by central authorities as to needs and standards, whereas in the United States, new academic subjects can emerge as a result of the laws of demand and supply (Trow 1989: 384).

In the context of European integration, the central tension in higher education is that between harmonization and diversification. Since the 1960s, the national higher education systems in Europe have been developing in centrifugal directions partly spontaneously, partly as a consequence of deliberate policy. Each nation-state has built up its own system of higher education. Under the pressure of increasing student flows, these have then fragmented in distinct ways into differentiated levels and sectors (Cerych 1989; Neave 1989). Alongside the traditional university, dedicated to science and scholarship, there has thus come into being an expanding non-university sector, comprising a wide variety of more vocationally oriented colleges, open university institutions, post-experience training, etc. (Teichler 1990). National governments have become increasingly keen to make use of higher education in the pursuit of economic growth and national welfare. Paradoxically, in countries which traditionally operated highly centralized systems of governance in higher education, this has led to decentralization: the granting of increased autonomy, together with direct measures of Government policy, in order to promote competition and market sensitivity (Cerych 1989). On the other hand, in the 1980s universities have been increasingly called to account for their results, with the consequent need to create of evaluation systems by which such results can be assessed.

In most European countries, access to higher education is restricted by means of a matriculation examination at the end of secondary education, by entrance selection procedures, and by student quotas laid down by the central authorities. Despite the shrinking size of the generations now reaching university age, there seems to be little evidence of cuts in student quotas or of any

abandonment of the monitoring of student quality or quantity (cf. Neave 1989: 353). Belief in the rationale of state governance and control of higher education continues to prevail in Europe, despite the beginnings of reliance also on consumer- and market-driven forces.

With the growth of the non-university sector in Western Europe, however, a significantly new situation has come into being. There can be no doubt that the university has opened up: taken on new tasks, entered into closer relations with industry and business, taken up the development of extramural training. Not only have the colleges in the non-university sector, and the quasi-professional occupations associated with these, set out under the pressures of academic drift in quest of university-like status for themselves; the university itself, too, has set out along new paths, and surrendered its role as the ivory tower of pure science and scholarship (cf. Neave 1989; Kerr 1982; 1987).

Ladislav Cerych (1985: 7-8; 1989) believes that the attitudes towards the relationship between higher education and industry has changed fundamentally in Western Europe since the 1970s. "Today, all governments, irrespective of political allegiance, are calling for this kind of co-operation and introducing such measures as they regard appropriate in order to facilitate it" (Cerych 1985). Hence the rise all over Europe of science parks and other joint ventures between universities and industry: shared facilities, consultancies, training courses, research contracts, etc. etc. And in sharp contrast to the way in which such co-operation occurs in the United States behind and above it all, in Europe, looms what Neave (1984) has called the Evaluative State.

Finland as a case of Nordic model

The nations of Northern Europe share a high standard of living and strong welfare state, in which education is awarded a central role in the creation of national welfare and identity. The State has taken on responsibility for the maintenance and supply not only of welfare and health services, but of educational services also. The State is the major source of funds for higher education. Student flows, curricular organization, in fact the entire higher education system, are governed through an extensive machinery of parliamentary and supplementary legislation, rules and regulations, and (not least) the State budget.

In Finland, higher education proper includes neither a private sector nor (strictly speaking) a non-university sector. There are perhaps few Western countries in which higher education is organized entirely in State institutions each of which, in principle, is intended to perform all the formal functions of

a university: to engage in research, and on the strength of this to provide teaching at both the undergraduate and postgraduate levels (up to and including the doctorate).

The Finnish University Model has emerged in its present form out of the interacting pressures of expansion, central planning, and regional policy during the 1960s and 1970s. In three decades, the numbers of students have tripled, and the 20 institutions of higher education now have a joint enrolment of just over 100 000 students. Administrative reforms have led to an explosive increase in administrative personnel, who now clearly outnumber the professoriate. As a result of curricular reforms, studies have been reorganized on the basis of more vocationally-oriented 'degree programs', including some not previously represented within the university, and the lower, BA-level degree was (against the universities' own wishes) abolished. (Kivinen & Rinne 1991.)

The central principles running through Finnish higher education policy during the 1960s and 1970s were linked to the social theses of regional policy and educational democracy. In the 1980s, however, effort switched to harnessing the universities to the pursuit of national welfare and competitiveness on international markets. Fences between higher education and business and industry were pulled down; universities and departments were urged to compete with each other, and enterprise culture was encouraged. Management by results, evaluation and managerialism, are all familiar terms in the Finnish higher education debate. A variety of technology centres, post-experience training, industrial retraining, and a wide range of commercial operations are all expanding rapidly. (Kivinen & Rinne 1990.)

Competition between universities in Finland, therefore, where it exists at all, operates under centralized State supervison. It is the State which decides on the universities' budgets, on building projects, on the establishment of senior posts, on the acquisition of large-scale equipment, on student quotas or on the establishment of new curricular degree programs. In the absence of any private sector of higher education, the 'market' in Finland is therefore very limited.

Consumer demand has very little impact on shaping higher education; indirectly at best, from political pressures and interests operating through the State's machinery. In Finland it is not normal practice to close down or transfer colleges, departments, or even individual posts. University entrance is restricted. On the other hand, cracks have appeared in the public image of a unified, consistent university system. Plans are afoot for the establishment of vocationally oriented colleges; and the encouragement offered to the competition prin-

ciple will inevitably lead to the increasing hierarchicization of higher education and to increasing market impact.

The proposals for a shift towards freer markets and for the partial dismantling of State control run into many problems, however. One of the most serious is that in a country with a total population of only around five million, the markets are too small. The northern and eastern periphery of the country is thinly settled, with a powerful attraction of population towards the south; for the universities in the north and east of the country, it may prove difficult to maintain an adequate supply of qualified staff, or indeed of willing students. Radical deregulation could possibly lead to a situation where only a few of the present twenty universities, scattered around the country, would survive; but this would be incompatible with the principles of regional and social planning which have so far steered higher education policy.

The higher education system in Finland could therefore be characterized as an inverted mirror-image of that in the United States:

1) Small size, creating restricted markets;
2) Strict centralization of control of resources;
3) Formal institutional uniformity, with no hierarchy ostensibly recognized;
4) Restricted competition, exercised with respect not to markets, students, or business, but to State-controlled resources;
5) Low institutional initiative, since conditions of strict centralization inhibit the taking of initiatives, the challenge of bureaucratic rule in the universities, or the development of an entrepreneurial spirit.

Finland thus exemplifies at least in some respects the Nordic model of a planned economy and a welfare state, characterized by the belief that Society's political and administrative elite (in principle, the people's elected representatives) are better equipped than the market to govern higher education. Pressures for a modification of this model are however increasingly apparent.

Universities and Europe in the 1990s

In addition to pressures for increased market sensitivity, a further factor affecting the future development of the universities is the constantly expanding number of adult students, both as mature students on degree programs and on a wide range of short-term training courses. Post-graduate training is also becoming increasingly central to the tasks of the university (Neave 1985).

Guy Neave and Frans van Vught have identified five trends characteristic of governments' higher education policies during the 1980s, permeated by a contradiction between the continuation of powerful State interventionism, and the move towards granting increased autonomy to the institutions of higher education (van Vught 1990):

1) Budget cuts, partly against the background of aging populations throughout the Western world, and the consequent shift towards investing more on the needs of senior citizens. In some countries (e.g. the UK), the implementation of the cuts is being left to the universities themselves; in others (e.g. France), the Government is taking the decisions. In either case, the implications for higher education are serious.
2) Pressures for efficiency, including demands for reduced durations of study, fewer drop-outs, and in general more results for less funding.
3) Managerialism, involving increased recognition of external interest groups, the introduction within the universities of strategic management geared towards the achievement of pre-stated objectives and the monitoring of results, and an emphasis on the values of enterprise culture.
4) Conditional contracting, i.e. the replacement of block funding by an on-going process of negotiation between the universities and the State, under which funding is tied to specific objectives and to the monitoring of results.
5) The introduction of evaluation systems into higher education as part of normal procedure, with a shift from a priori to post facto assessment not of objectives but of results.

It may be presumed that all of these trends will continue powerfully during the 1990s.

It is frequently argued that Europe needs to learn from the United States. By this is meant, in the first place, the recognition of the priority of competition. Unless a country is prepared to face also the risks implicit in competition, however, it will be unable to apply the American lesson. Shifting to intense competition, with the institutionalized conseqences which follow from this, requires that the State must be prepared to surrender control to the markets of higher education demand and of competitive prestige between rival universities and departments (Clark 1990).

The second crucial factor would be a shift from State-led co-ordination onto a flexible voluntary basis.

A market system of higher education is able promote operations founded on expertise instead of propping up bureaucratic authority. In this way, it can

create a network of bonds and contacts which permeates the whole nation, but which are originated by the academic community. Co-ordination of this type is more 'secretive', perhaps, than State control; but it is far more flexible.

There is also one further lesson to be learnt from the American model which not every country will be able to adopt easily: the doctrine of many masters. Control over higher education should not be in the hands of any single instance. Today, where such a single master exists, it is virtually without exception the Government. In the American model, multi-based sources of funding are an indispensable condition for reliable, lasting institutional autonomy. They would also appear to be an essential condition for universities and colleges to be able to adapt quickly and flexibly to a rapidly changing environment. "Diversify! Diversify!" is the fundamental lesson which the American model preaches. A wide base of funding is essential, in order to reduce the risk of destruction implicit in dependence on the power of any single master. The capacity of national governments to adopt predatory behaviour towards their own higher education systems can only too easily be documented in recent years, the Australian and British examples being merely two of the most dramatic (Clark 1990).

The Finnish university model is that of a powerful national state. In a strongly centralized, comparatively rigid system, change is cumbersome. It would appear more than probable that Finnish higher education policy will continue to be dominated by regional policy considerations. Where the markets are small, with few people and few resources, decisions get taken centrally about many other matters as well, in addition to university policy. This regional emphasis in higher education policy, and adherence to the principle of parity of esteem between institutions, are likely to continue to provide the social force by means of which the central authorities in Finland will decide on the fates of individuals and regions.

Neither in the State in general, nor in the Ministry of Education in particular, has there been evidence of the political will or mechanisms to bring about radical reorganization of higher education, or for instance the transfer of departments, posts, or individuals from one place to another. The top-down chain of bureaucratic command is in any case too cumbersome to achieve change, even if the will were there.

The most probable future source of pressures for radical change is therefore in international pressures. If Europe is genuinely integrating, if national higher education policy practised by sovereign nation-states weakens, if the needs of the minor regions are subjected to the needs of the greater ones,

then the Finnish model of the university will inevitably change. Since the structures of the New Europe do not, apparently, incorporate powerful centralized authority, moreover, it seems likely that it will be through market mechanisms that change will be forced on the Finnish universities. International student markets, employee markets, job markets, and status markets will eventually and inevitably also come to dominate even the universities of the European periphery, and the national Government will be forced to withdraw from the stage. At that time, possibly, the American model may become a seriously viable alternative. In the worst event, this could lead to the demise of the university ideal, as the distinctive nature of the university is swallowed up within the labour market; but in the best event, it may provide the room needed for the university to retain, and promote, its own autonomy.

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The Management and Evaluation of the Entrepreneurial University: The Case of England

Robert Cowen

THE MANAGEMENT AND EVALUATION OF THE ENTREPRENEURIAL UNIVERSITY: THE CASE OF ENGLAND[1]

Robert Cowen

Introduction

Efforts to make English universities more responsive to the industrial and economic needs of the country have quite a long history. For example, there was a flurry of institution building in the latter part of the 19th century, when universities were created in the northern industrial parts of England. The research of these universities was supposed to be linked to the industries of the local area, to defend against the new economic competition from Germany and the United States of America. A second concern, for using universities as a source of qualified technical manpower to assist in the regeneration of the industrial base of the United Kingdom, was visible in a series of reports immediately after World War II, as the U.K. began to understand that there was a shortage of scientists, technologists and technicians[2].

Thus, for at least 100 years, policy makers in England have made intermittent efforts to link together universities, research - especially in science and technology - and industrial development[3]. National development has been understood to depend on making at least some university research relevant to the needs of the economy; and for 20 years after 1945 the Government assumed that economic growth depended on tight links between higher education and industry, between the preparation of highly qualified manpower, and economic growth. From the mid 1960s, efforts to create 'technological universities', and to encourage the polytechnics within the English higher education sector, were the major strategies aimed at this problem[4]; against the context that the universities were not always prepared to respond to government requests for the creation of more utilitarian knowledge[5].

However, the emphasis on this idea (that the higher education system, and even the universities therein, would and should produce utilitarian knowledge), does not correctly define the nature of the contemporary crisis of English society and of the English university. The crisis is much more fundamental than merely a need to link universities, polytechnics and industry in fresh ways, notably by encouraging more applied research.

The immediate crisis of the English university is that it is faced with a major attack upon some of its central assumptions. The Conservative governments of the last decade (from 1979) have gradually formulated the view, adopted with increasing simplicity and clarity in the last five years, that the nature of universities themselves is incorrect, and disadvantageous. The particular policies which the Government is proposing, and which it has begun to implement, are not merely aimed at changing the relationships between the university sector of higher education and the economy. The proposals will also alter the nature of the university itself: that is, the balance among the university's central purposes; its ways of running itself; and its ways of judging itself.

It is with this process of alteration, of the nature of the English university, that this paper is primarily concerned.

The entrepreneurial ethos and the entrepreneurial university

The Vice-Chancellors of the seven universities, of East Anglia, Essex, Kent, Lancaster, Sussex, Warwick and York, recently issued a press statement after a meeting in which they reviewed 30 years of their own experience of innovation. The statement of these Vice-Chancellors - members of a group which does not normally like to take up dissonant public positions - includes the following:

> Universities are in no way comparable to nationalised industries whose success or failure may be measured by looking at a balance sheet, and whose income can be increased by raising the cost of the product. Governments should not push universities too hard to pay their own way. The pursuit of profit and commercial success can jeopardise the pursuit of excellence.[6]

It is important to note here that this is not a statement issued from a group of Vice-Chancellors representing the oldest universities in England, defending traditional definitions of knowledge. All of these universities, which are still called 'new universities', have experimented with different arrangements of departments, disciplines and faculties. Several of the universities have gained a major reputation for innovative and applied studies. Warwick in particular has gained a reputation as a university that is very skilled in marketing itself; and Sussex has established not only a good national reputation, but like the University of Kent, has firm links with its local community. As a group these universities have worked more closely than any others with business and industry. And yet it is this group of Vice-Chancellors who are insisting that "governments should not push universities too hard.."

What lies behind this brief, but very pointed statement? The problem is in the tension between the different assumptions - of the Government and of the universities - about what universities are for. The Government's view is that the cultural models of status - status in English society - are inappropriate in an internationally competitive world; and that these models (which arguably go back to the 18th century, and the values of the British aristocracy of that period) have been institutionalised in a number of key places, notably the public schools and universities[7]. Thus politicians have noted that the most able graduates of the university sector have typically preferred jobs in the Civil Service, or in the traditional professions, or in the financial sector of business; rather than jobs in manufacturing industry - whether in engineering, sales, or even management. This in turn has reinforced status-patterns, and certain traditional class-specific values. This reinforcement, in the eyes of many politicians, has been partly the responsibility of the universities.

The consequence is the current attack on the nature of the universities of England. Through a variety of policies the Government is seeking not merely to strengthen external links between the research aspects of university life, and industry and business; but it is also making a major effort to disturb the academic culture of universities, to alter their goals, and to insist upon their accountability to external clients. Among these external clients, the most important is the economic sector. The consequences of this view, turned into a policy for the universities by the Government, have already taken effect.

What are the patterns of these policies? I will discuss them in sequence in terms of the themes in the title of this paper:

- the nature of the entrepreneurial university
- the management of the entrepreneurial university
- the evaluation of the entrepreneurial university.

The first point to notice is that the English university was non-entrepreneurial in the immediate post-war world. In the period immediately following World War Two the English university system was small (that is, it contained a small number of universities and a small number of students), and successful[8]. The English university, and the British university system, had been associated with contributions to a war effort which had been successful: for example in radar research, in code-breaking, in submarine warfare, and in research towards the atomic bomb. And it was further the case that a social scientist, Lord Beveridge, had

pioneered the vision of a more egalitarian (British-socialist) state, which was being put into operation by the Labour Party. This vision, which drew on a strong tradition of social science research[9], influenced the social arena, for example, through the provision of free medical care, the provision of subsidised public housing, the insistence upon widespread public transportation, and the creation of a new kind of mass secondary education system.

Thus in this period the prestige of university academics was high; the system was relatively cheap to run; and mechanisms were confirmed - notably the University Grants Committee - which continued a canny insulation between the politicians and the universities, and the Treasury and the universities[10]. There was a comfortable consensus, which was a liberal consensus, among major decision makers, that the university system was good. Tensions over the future of the university system took two lines: were there enough technologists and applied scientists? and, later: was the system big enough in terms of the number of universities, and the number of students? These issues were addressed by the Robbins Report in 1963.

The contrasting vision, which emerged in the 1980s, was of a university system that was complacent, poorly managed, staffed by incompetents, and expensive. The vision was also offered of a university system irrelevant to the nation's needs, most particularly its economic needs in terms of competition with Japan, Germany, the United States, and a number of other nations around the Pacific rim and in north-west Europe.

The Government's voice is clear in the 1987 White Paper, in which it indicates that it expects higher education,

> to serve the economy more efficiently, by achieving greater commercial and industrial relevance in higher education activity[11].

The same philosophy was outlined along another dimension by an earlier White Paper:

> ..not far from the surface of most candidates' minds is the belief that higher education will go far to guarantee them a better job. All expect it to prepare them to cope more successfully with the problems that will confront them in their personal, social and working lives[12].

And there is a third element: the skills base of the economy is changing. The continuing theme in comparative education analysis - that specific vocational training is bad, whilst provision of high levels of general education for a long time is good - is taking on fresh force in the contemporary debate about the English university. It has become clearer and clearer that a range of skills, notably in communication, personal relationships, and

teamwork, are important in the successful running of any enterprise (including universities). But these last principles do tend to affect, or to undermine, the notion long held in English universities that the best form of training is (a) intellectual; and (b) within a single discipline.

Thus these three propositions - that universities ought to contribute to the economy, that students are seeking jobs, and that the disciplinary base of universities is increasingly irrelevant - have constituted an undermining of at least parts of the traditional role of the universities.

In addition, the Government has taken direct policy action to alter the basis of university funding, in order to make universities more entrepreneurial. The University Grants Committee (UGC) has been abolished, and the University Funding Council has developed patterns that were emerging towards the end of the UGC's life. In particular, there has been a sharp drop from the position where central government provided something in the order of 95% of the English universities' budget in the 1970s, to the contemporary situation where central government is providing about 75% of the budget. And this strategic shift in financial pattern is taking place with increasing rapidity. (see Table 1: p. 6).

The shortfall which might have been expected to follow from this rapid reduction in central state funding has had to be made up in a variety of ways by the universities themselves. The commonest ways include charging higher (more realistic) student fees, notably full-cost fees to overseas students. In the last few months, the controversial notion that students themselves might be expected to pay extra 'top-up' fees has been put forward (and rejected by at least one university). Research funding is very important. Funding for research is attracted to the university from either industry-linked research, or money provided by a range of Research Councils - which in turn have become increasingly affected by Government definitions of what it would be useful to research.

Table 1: Income of Universities 1984-5 to 1988-89[13]

Source of Income	1984-5 (£M)	1985-6 (£M)	1986-7 (£M)	1987-8 (£M)	1988-9 (£M)	% change since 1984-	
5 1987-8							
General recurrent income							
Exchequer grants	1258	1312	1367	1482	1620	29	9
Fees and support grants	283	313	340	364	399	41	9
Other sources	127	133	144	153	222	75	45
Total all sources	1668	1758	1851	2000	2240	34	12
Specific recurrent income							
Research grants and contracts:							
• Research Councils	145	160	182	186	213	46	15
• UK-based charitable bodies	57	72	92	109	131	131	20
• UK Government	63	74	84	91	102	62	12
• UK Industry	47	59	68	78	92	94	18
• Overseas	21	28	35	42	61	186	43
• Other sources	15	17	20	24	30	99	24
• Total	349	410	481	530	629	80	19
Other services rendered	103	127	151	178	213	106	19
Total all sources	452	537	633	708	841	86	19
Total recurrent income	2120	2295	2484	2708	3081	45	14
Non recurrent income							
Equipment and furniture grants	92	95	119	103	121	32	18
Other	21	17	24	18	31	49	74
FTE student load (000s)	304	308	313	318	331	9	4

Table 2: Percentages of Total Recurrent Income received by each University, analysed by source: 1988-89[14]

UNIVERSITY	*Total general recurrent income**	*Exchequer grants*	*Fees*			*Research training and other support grants*	*Endowments, donations and subventions*	*Computer board grants*	*Other general recurrent income*	Specific income:	
			Full-time courses:		*Part-time courses*					Research grants and contracts	Income for other services rendered
			Home rates	*Other rates*							
	%	%	%	%	%	%	%	%	%	%	%
Aston	85.2	64.2	7.1	1.8	0.6	0.1	0.1	0.8	10.5	9.6	5.2
Durham	77.5	58.1	8.7	3.0	0.6	0.3	1.4	0.5	5.0	15.6	6.9
Kent	79.1	51.3	8.3	10.1	0.8	0.2	0.8	0.6	7.0	16.3	4.6
London	67.7	48.2	3.9	3.4	0.9	0.4	1.5	1.0	6.3	25.2	7.2
Manchester Business School	49.2	22.0	11.5	3.3	4.6	-	0.1	1.0	6.7	10.6	40.2
Oxford	65.4	43.6	6.2	5.0	0.1	0.4	5.5	0.3	4.3	30.9	3.7
Warwick	63.9	46.0	7.2	5.1	0.5	0.2	0.4	0.3	4.1	20.1	16.0
Total English universities	**72.2**	**51.8**	**6.2**	**5.5**	**0.7**	**0.3**	**1.6**	**0.8**	**5.3**	**20.8**	**7.1**

* The total general recurrent income is made up of (i) exchequer grants, (ii) fees, (iii) research training and other support grants, (iv) endowments, donations and subventions, (v) computer board grants, and (vi) other general recurrent income.

This is not of course to say that all universities have adapted equally well to the new rules, or equally quickly. There has been considerable variation between the proportions of research funding which different universities have been able to attract (see Table 2: p. 7). Note, for example how relatively well Oxford has performed against national figures (listed as 'Total English universities' at the foot of Table 2).

Thus the universities, through a shift in the nature of their finance mechanisms, have been noticeably affected by the fact that their major paymaster, the State itself, has refused to continue its paymaster role at former levels of generosity. The power relations between central government and universities have become more visible in the last five years, not least in the area of the levels of remuneration for academic staff within the university system. Their relative pay position has fallen not merely in relation to other groups which the Government has chosen to support (eg. the police); but the position of university academics has even fallen relative to the position of school teachers[15]. Indeed, in the last round of pay negotiations the pay increase which university academics gained - just below the level of inflation - was linked to the condition that there would be introduced an Assessment Scheme for university academics.

Overall, then, the social process which is currently developing is not merely that the university should try to link itself more tightly with industry and business. The central core of the present process is that the university itself should become a business. It is in this sense that we may now think of the English university as 'entrepreneurial'. These external pressures, expressed normatively as goals in Government White Papers, and expressed institutionally as alterations in the finance basis of the university system, have begun to have considerable effects: firstly, in the area of the management of universities; and secondly, in the area of their evaluation.

Management

The management of the English university has changed in the last decade along three dimensions. First, at the level of the Vice-Chancellorship the model has increasingly emerged of someone who is like the University President of a large American university. That is, someone who will spend up to half their time on external relationships, someone who will create mission statements for the university, and someone who, through new

leadership techniques, will take a much more aggressive leadership role than has historically been the case in England. A strategy has been to create a division of labour between the Vice-Chancellor and a position such as 'Senior Pro-Vice-Chancellor'. This new kind of position is similar to the United States model of the 'Vice-President for Academic Affairs', who normally controls all academic personnel, including Deans and Heads of Department in a big United States university. In other words, what has begun to emerge at the highest level in the English university is experimentation with the role of strategic academic planning and policy development; and, in the words of a recent University of Surrey advertisement, "quality assurance for related academic activity"![16]

Within colleges or major institutions inside a federal university, the leadership role of the Principal, or Director, has also begun to change, to follow a model somewhat like that of the new kind of Vice-Chancellor. But equally, and equally important, is the increased arena for action of Finance Officers, Academic Planning Officers, and Academic Registrars. The skills needed to find ways around a rapidly changing higher education system, with new funding structures, and new penalties, has meant a rise in the need for very alert, skilled professional administrators. The gentlemanly forms of academic government, in which the academic community debates decisions through a large number of committees, have tended to continue. But they are increasingly irrelevant for purposes of rapid decision making in a rapidly changing institutional and academic environment.

The third change in university government has been at departmental level. Following the Jarratt Report[17], it has become increasingly common that university departments themselves are perceived as cost centres, and indeed perhaps as entrepreneurial centres, albeit entrepreneurial centres with an academic culture. It has become increasingly the case that departments are asked to govern themselves, under the leadership of a Chairperson who has been given a large number of managerial and executive functions. Meanwhile Professors have remained very important in terms of defining the academic culture and research, but increasingly their role has had added to it the proposition that they must raise soft research moneys in the competitive market outside of the university.

These new leadership styles, which at various rates of change have begun to affect universities from the highest level (the Vice-Chancellorship) to the smallest unit of university life (the department), have actually been efforts to re-invigorate the ways in which

universities can focus their resources. In particular, the philosophy of the Jarratt Report has been visible. The stress has been on three main policies. First, at institutional level, trying to bring together academic decisions and resources and accountability into an overall planning process led by more assertive governing bodies (eg. Councils). Second, an effort to make university departments into budget and cost centres, responsive to a range of pressures. And thirdly, an effort to measure the academic output of institutions, departments, and individuals.

However it is also the case that management, whether management of a business or management of a university, functions best on the basis of up-to-date and accurate information. A range of evaluative mechanisms have come into place, in turn creating fresh demands on resources, and requiring skilled management. This is a small paradox, but the relationship between management and evaluation is not simply linear: it is reciprocal. Evaluation requires management, and management requires evaluation.

Evaluation

Again, the evaluation mechanisms may be identified on at least three levels[18]. Universities themselves are evaluated on the basis of their research profiles. A national system of measuring research output and defining research reputation has been created, and it is of considerable importance because it affects the funding of the university, or major Schools within universities. The scale system moves from (1) to (5) - at least in its original version - and the measurement is based upon a complex formula which includes PhD output, output of books and articles, editorship of journals, and so on. This kind of system is very familiar in the United States. The results are published, and classify institutions on a national scale. At the time of writing, the classification is:

Score 5:	International excellence in many areas, national excellence in others;
Score 4:	National excellence with some evidence of international excellence;
Score 3:	National excellence in a majority of areas or limited international excellence;
Score 2:	National excellence in up to half of areas;
Score 1:	Little or no national excellence.

It is also the case that inside universities, departments are evaluated. The mechanisms of

evaluation of departments are, in microcosm, the same as those used for the universities themselves. At the moment, these measures are limited to research output; thus, for example, lists of PhD completions, of book output, and of articles in the journals of the relevant discipline are collected. Contributions to the development of the subject outside of the university may also be mentioned, such as high class journalism, or even television debates; in other words an extension role is recognised. And in addition to this quantitative accounting, a number of mechanisms have been invented to assess the impact of this quantitative output: for example in terms of impact upon government policy, or upon the rest of the academic community - most particularly in terms of an alteration of the theoretical foundations of a disciplinary subject. The impact judgements are normally made by peer evaluation (though exactly how is a matter of some debate).

The third layer in which the management exercise is taking place is in terms of assessment schemes for individual academics. Here the details may vary between institutions, but the national objectives are to:

(a) help individual members of staff to develop their careers within the institution;
(b) improve staff performance;
(c) identify changes in the organisation or operations of the institution which would enable individuals to improve their performance;
(d) identify potential for promotion;
(e) improve the efficiency with which the institution is managed[19].

Most institutions have spent a great deal of time in devising mechanisms for appraisal[20]. Individual academics are expected to assess their own work initially, in such areas as efforts to obtain research funding, and their contribution to the work of their department and university, through management, teaching, publications, research, and scholarly output. However, the crux of the assessment system has been the training of Appraisers - who will typically know the field of study well, and who are experienced academics. These Appraisers are encouraged to develop a situation in which the person being appraised (the appraisee) can form a clearer and crisper picture of their balance of skills, abilities and professional accomplishments. It is the job of the Appraiser to permit the appraisee to form this self-picture. At the policy level, one upshot of the appraisal process is a relatively short set of recommendations which go to Chairpersons of Departments in terms of retraining needs. But the actual appraisal process is primarily a structured discussion designed to increase the professional self-understanding of the person being appraised, of their current professional development and their future professional options. Despite the

national objectives, major efforts have been made, at institutional level, to separate this form of self-appraisal (which will occur on a varied timescale - typically two years) from actual promotion procedures - which of course themselves have had to be tightened up as part of the evaluation and management functions of universities.

These management and evaluative functions within an entrepreneurial university take place in an academic context. What is still not clear are the precise implications of this range of entrepreneurial functions for the continued existence of traditional disciplinary boundaries within the English university, and traditional forms of academic responsibility, notably the Professorial Chair. Certainly the new forms of management and evaluation have made it increasingly difficult for distinguished Professors to concentrate entirely upon their own research activities, or even on encouraging the research activities of others alongside their own. The immediate possibility is that disciplinary boundaries will indeed begin to alter rapidly, as cross-disciplinary and multi-disciplinary work emerges to satisfy the needs of external clients. It also seems probable that the nature of the Professoriat itself will change, with excellent researchers being used within the managerial and entrepreneurial university to increase its publishing profile and research rating, while the Professorial positions themselves are increasingly likely to go to persons from outside the university system, who have experience of, for example, industry, or East Europe, or the research funding agencies themselves - depending on definitions of short-term needs by appointing committees.

Conclusion

More generally, it is appropriate to ask what is it that can be learned from the English experience. And, for the moment, the safest answer is to say: not a great deal.

But there are certain simplicities. For example, most universities began to notice a changing world as early as the 1970s (ie. after the 1973 oil shock); and in particular after the 1981 financial cuts in university funding. Particular universities which were well led - such as the University of London Institute of Education under Dr William Taylor - reacted very rapidly. Others - such as the University of Salford then under the Vice-Chancellorship of Professor John Ashworth, which suffered a cut in funds of almost 40% - reacted even more radically, eg. with the Campaign to Promote the University of Salford (CAMPUS). This campaign publicised the difficulties of the University and set out to attract external funding. The

Salford reforms which followed were not dissimilar to the changes at the London Institute of Education, eg. the establishment of a Catering Section, a Conference Office, and an Overseas Student Officer; the introduction of improvements to the flow of management information; the renting out of classrooms when not in use; and encouraging staff to think about new courses.

And it is with academic staff (and with modes of governance) that difficulties still rest. At the highest level, Vice-Chancellors and Heads of Schools are alert. However, academic staff are either still reluctant - to put the point pejoratively, to "betray the purposes of the University" - or, where they are not reluctant, leadership at university department level is often untrained, amateurish, and even incompetent.

One very important possibility is that the philosophy of the Jarratt Report was wrong. At the core of the Jarratt proposals is a model of managment from business, with roles for managing directors, line managers and so on. This hierarchical form of management may be of use. But clearly, among academics in particular, softer management styles may be needed - with an emphasis on 'climate', and 'ethos', rather than control. The entrepreneur - especially when s/he is an academic - needs subtle and complex styles of management if innovation is expected to flourish. Interestingly, the training programmes of the University of London reflect this - but not the Government's immediate stance on the management and evaluation of the university.

Overall, and it is important here not to be too gloomy, it is probably necessary to note that no less distinguished person that Sir Ralf Dahrendorf has suggested that contemporary Government policies, pursued systematically over some length of time, will lead to the destruction of 'the British university'. Of course, this is, on a narrow set of parameters, precisely the intention of Government policies[21]. The clash between the Government's conception of the university, and the universities' own conception of the university, is an important national debate and an important political issue. The Government of the U.K. would of course not think of itself as destroying 'the university', but merely as reforming it to make it more responsive to national needs. We must assume that both sides of the struggle are honourable. But it is probable that at least one side is mistaken.

References

1. This paper concentrates on the case of England, and recognises that there are strong and different cultural and economic histories in Northern Ireland, Scotland and Wales which affect the role of universities in those areas, in addition to other variations such as patterns of admininistrative control and accountability.

2. Michael Sanderson, *The Universities and British Industry 1850-19970*, London: Routledge and Kegan Paul, 1972.

3. See Robert Cowen, 'Relations between the university, research and industry', in *Second Anglo-Brazilian Seminar on Science, Technology and Education*, Brasilia: Ministry of Education and INEP, 1988.

4. Tony Becher, Jack Embling and Maurice Kogan, *Systems of Higher Education: United Kingdom*, New York: ICED, 1977.

5. Marjorie Reeves, 'The European University from medieval times, with special reference to Oxford and Cambridge', in W. R. Niblett (ed.), *Higher Education: Demand and Response*, London: Tavistock, 1969.

6. *The Times*, 12 November 1990, p. 16.

7. See M.J. Weiner, *English Culture and the decline of the industrial spirit 1850-1950*, London: Penguin Books, 1985.

8. See A. H. Halsey, 'British universities and intellectual life', *Universities Quarterly*, Vol. XX, 1958.

9. More correctly, a tradition of 'social accounting'. That is, a tradition of surveys and social investigations, notably into the condition of the poor.

10. Robert O. Berdahl, *British Universities and the State*, Berkeley and Los Angeles: University of California Press, 1959.

11. DES, *Higher Education: Meeting the Challenge*, London: HMSO, 1987, Vol. IV, No. 2.

12. DES, *Education: A Framework for Expansion*, London: HMSO, 1972, p. 30.

13. Table from *University Statistics 1988-89, Vol. 3: Finance*, Cheltenham: Universities Statistical Record, 1990.

14. *Ibid.*

15. Association of University Teachers, *Goodwill under Stress: Morale in UK Universities*, London: AUT, 1990.

16. A new development which should be noted as likely to have a major impact is the recent insistence on the creation of Quality Assurance schemes, in each university, at the behest of the Committee of Vice-Chancellors and Principals. These schemes are just being worked out and it is too early - at the time of writing this paper - to offer an interpretative comment based on hard data. But the immediate emphasis seems to be on assembling information from External Examiners (at doctoral level), from student evaluations of courses, and about department level mechanisms for quality control of the academic agenda and its delivery. It

is also too early to comment on the effect of the CVCP Academic Audit Unit; but its existence as a mechanism should be noted.

17. The Jarratt Report: *Report of the Steering Committee for Efficiency Studies in Universities*, London: Committee of Vice-Chancellors and Principals, 1985.

18. Within, that is, the context of evaluation as a policy of the state. See Guy Neave, 'On the cultivation of quality, efficiency and enterprise: an overview of recent trends in higher education in Western Europe, 1986-1988', *European Journal of Education*, Vol. 23, Nos. 1/2, 1988.

19. Committee of Vice-Chancellors and Principals of the Universities of the United Kingdom, *Appraisal, Promotion Procedures and Probation: Note to Vice-Chancellors and Principals*, London: Tavistock Square. December 1987, page (f).

20. The principles which will inform practice are often written out in great detail. For example:

    (a) the object of appraisal is not the person but the nature and development of their work;
    (b) appraisal must accord with equal opportunities policy;
    (c) staff must contribute to and should benefit from their own appraisal;
    (d) appraisal must be constructive, not punitive or inhibiting;
    (e) appraisal must be practised so that individual benefit is related to department, unit or centre, and the academic policy and planning of the institution;
    (f) appraisal requires understanding of the individual's work and work context; thus if adequate time and informed consideration are to be given then an appraiser would not be responsible for appraising more than six to eight individuals and, in the case of academic and research staff, should be a senior and experienced member of staff in the relevant areas of work;
    (g) training for appraisal is essential since relevant attitudes and skills must be acquired;
    (h) appraisal requires trust and confidence in the appraiser's competence; thus individuals must have some freedom of choice of appraiser and be able to appeal if there is serious disagreement following the appraisal interview;
    (i) as confidentiality is important, procedures must be clear as to the kind of documentation used and its accessibility to whom and for what purpose;
    (j) an agreed course of action must emerge from an appraisal interview, thus the institution is required to provide resources for staff development and involve colleagues in relevant discussions;
    (k) all staff must be clearly informed about the scheme and the conditions and procedures involved;
    (l) any appraisal scheme must be reviewed from time to time.

    Source: *A Handbook for Academic and Research Staff, 1990*, Institute of Education, University of London, November 1990.

21. Maurice Kogan and David Kogan, *The Attack on Higher Education*, London: Kogan Page, 1983.